



2004 ANNUAL REPORT

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Dear Governor Bredesen and the Citizens of Tennessee:

I am pleased to present to you and the people of the Great State of Tennessee this 30th Annual Report of the Department of Financial Institutions for the period of 2004.

On May 15, 2004, pursuant to Tennessee Code Annotated § 45-2-1502(b)(1) and (c)(1), I took possession of Sentinel Trust Company in Hohenwald, Tennessee. Immediately thereafter, I issued an Order appointing Receivership Management, Inc. in Brentwood, Tennessee as Receiver, pursuant to Tennessee Code Annotated § 45-2-1502(b)(2). On June 18, 2004, a Notice of Liquidation was issued. The Receiver continues to manage 16 defaulted bond issues with \$80,850,000 in principal outstanding. As of December 31, 2004, the Receiver was holding \$4,729,156 in cash for these defaulted accounts.

As of December 31, 2004, the remaining assets and liabilities of Sentinel Trust Company, in liquidation, are estimated at \$2,186,500 in total assets and \$7,860,000 in estimated total liabilities. For additional information, please refer to the Bank Division – Trust Section of the attached Annual Report.

Tennessee's financial institutions remain fiscally strong and are capably positioned to meet the expanding and complex financial needs of our citizens. Specifically, our institutions are well-capitalized, profitable and innovative in their products and services while adhering to the regulatory requirements of this Department. Although we continue to see consolidation and a reduction in the total number of depository institutions, total net assets continue to increase and the complexity and breadth of operations continues to grow.

This Report provides a comprehensive overview of the Department, including information on each operating Division and specific information on the industries which we regulate. Also included is a summary of bank corporate changes occurring since the last Report. Statements of Condition for each State bank may be accessed online.

The Department is focused on becoming a proactive agency in working with all of our constituents: the Governor's office, citizens of Tennessee, members of the General Assembly, other regulators and all entities that we license/charter. Beyond our day-to-day regulatory activities, our global focus has been in the following areas:

Economic Development/Partnership

While the Department will always remain focused on our charge of examining for compliance and safety and soundness, we recognize the partnership which we share with regulated entities. As financial services/products become more complex, it is imperative that this Department work with our licensees to ensure accurate communication of timeframes and regulatory guidelines. The economic development of our State is obviously fueled by financial institutions; therefore, we are obligated to remain responsive and cooperative with those entities, while maintaining the charge of regulation.

Charter Conversions

The dual banking system has served our State and Country well for many years. While I continue to endorse that system, I am proud and confident that Tennessee is able to offer the "Charter of Choice." To that end, I continue to encourage bank boards and management teams to convert to a State Charter. Considering the impact that banks have on economic development, the State benefits directly by having these entities under the Department's supervision. Further, the banks benefit by having a State Charter due to greater regulator accessibility, responsiveness, lower fees and regional economic knowledge possessed by our local examiners.

Consumer Education

In an effort to reduce the impact of predatory lending practices, the Department has created a new Division, Consumer Resources. This Division serves as a conduit with industry and advocacy groups to create and disseminate effective financial literacy programs across the State. In working with these groups and the Department of Education, the Department is exploring various avenues for informing our citizens of their financial rights and increasing the effectiveness of existing literacy programs. This Division is also charged with tracking and resolving consumer complaints from across the State. That data will be helpful for targeting regional areas in need of regulatory and/or literacy focus.

The outlook for the health of Tennessee's financial institutions in 2005 remains positive. Likewise, the Department's activities will continue to play a vital role in ensuring the public of the safety and soundness of our regulated entities. We will continue to provide these services without burdening the taxpayers or General Fund as this Department remains completely self-funded from collected fees.

We are extremely proud of the efforts of our employees and welcome your continued support of our plans for personnel growth and development. The entire Department looks forward to the continued challenge of monitoring and regulating the financial institutions in Tennessee. We are also proud that we are able to issue the "Charter of Choice" and we remain committed to protecting all citizens while assisting our financial institutions in achieving their goals. You can be proud that Tennessee remains a premier state for banking and financial services companies.

I hope that you enjoy and find useful this 2004 Annual Report.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin P. Lavender". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kevin P. Lavender

MISSION AND VISION STATEMENTS

Mission Statement

The primary mission of the **DEPARTMENT OF FINANCIAL INSTITUTIONS** is to provide the citizens of Tennessee with a sound system of state-chartered financial institutions by:

- *providing for and encouraging the development of depository financial institutions while restricting their activities to the extent necessary to safeguard the interest of depositors; and*
- *seeking to ensure compliance by both depository and non-depository financial institutions with governing laws and regulations.*

The Department is further committed to the provision of quality constituent services to the institutions it examines, supervises and regulates; the citizens of the State of Tennessee; members of the Tennessee General Assembly and of Congress; the Office of the Governor and other agencies of the State and Federal governments; other State and Federal financial institutions' regulatory agencies; and to the provision of quality management of its personnel and fiscal resources.

Vision Statement

We seek to sustain an environment in the Great State of Tennessee which fosters a feeling of confidence and security among its citizens in regard to their choice of financial institutions. We advocate the continuance of the dual chartering system which allows us to provide a financial regulatory structure which more efficiently meets the needs and economic welfare of the residents of our State. The management of the Department strives to foster a sense of job satisfaction and ample career path opportunities to assure we are adequately staffed with well qualified, experienced and long-tenured employees. As a strong team, we can be more diligent, efficient, effective, responsive, and innovative in administering our duties. We continuously strive to make the Tennessee State Charter the charter of choice and the Department of Financial Institutions the preferred financial services regulatory agency in the State of Tennessee.

HEADQUARTERS PERSONNEL – NASHVILLE
(As of 12/31/04)

COMMISSIONER'S OFFICE

Kevin P. Lavender, Commissioner
Bradley Jackson, Legislative Liaison
Patty Grant, Commissioner's Assistant

ADMINISTRATIVE AND LEGAL DIVISION

Greg Gonzales, Assistant Commissioner/General Counsel
Tina Miller, Attorney
Marsha Anderson, Attorney
William Hofstetter, Attorney
Tracey Boyers, Attorney
Kevin Bartels, Attorney
Paula Cagle, Legal Assistant
Tommie Pendergrass, CPA, Fiscal Director
Debbie Curry, Human Resources
Penny Gannon, Personnel Technician
Douglas Lapka, Accountant
Barbara Jones, Administrative Services Assistant
Diane Speyerer, CPS, Administrative Secretary
Paul Battenfield, Information Systems Director
Patti Miller, Programmer Analyst
Tim Jones, Information Systems Consultant
Charles Ingram, IT Support Coordinator

BANK DIVISION

Tod Trulove, Assistant Commissioner
Hope Givens, Administrative Assistant

APPLICATIONS

Curtis Faulkner, Program Administrator
Debra Grissom, Administrative Services Assistant

BANK EXAMINATIONS & FINANCIAL ANALYSIS

Tony Matthews, Chief Administrator
Storm Miller, Financial Analyst
Joyce Simmons, CPA, Financial Analyst
Justin McClinton, Financial Analyst

COMPLIANCE DIVISION

Mike Igney, Assistant Commissioner
Jean Rosalez, Executive Secretary
Melody Johnson, Financial Analyst
David Gaines, Financial Analyst
Jesse Neely, Financial Analyst
Sherri Wallace, Financial Analyst

APPLICATIONS

Carl Scott, CFSA, Director
Paula Miller, Administrative Services Assistant

CHECK CASHING/DEFERRED PRESENTMENT

Steven Henley, CPA, Director
Christy Beadle, Administrative Secretary

EXAMINATIONS

Nita Taylor, Director
Kathy Combs, Administrative Secretary

CONSUMER RESOURCES DIVISION

Nicole Lacey, Assistant Commissioner
Alan Smith, Financial Analyst
Crystal Oldham, Consumer Education Coordinator
Bettye Osborne, Consumer Resources Specialist
Kayce Cawthon Stoker, Consumer Resources Specialist
Erin Edmonds, Administrative Services Assistant

CREDIT UNION DIVISION

Paul Foster, CSCUES, Acting Assistant Commissioner
Pat Murphy, Executive Administrative Assistant
DeLynn Hancock, Administrative Services Assistant

EXAMINATION PERSONNEL

BANK DIVISION

(As of 12-31-04)

8 Trust Companies

\$28.7 Million in Assets

\$8.4 Billion in Trust Assets under Management

Vivian Lamb, CEM, Program Administrator

West Tennessee District

Shirley Sanderson, CEM - Manager

Phil Stafford - Off-Site Monitoring Supervisor

Bruce Allen, CEIC - Trust Examinations Specialist

61 Banks

\$8.7 Billion in Assets

Terry Warren, CEIC, Supervisor

Vicki Ivey, CEIC, IV

Toniece Johnson, I

Tara Scutella, I

Roxanne Taylor, CEIC, IV

Danny Nolen, CEM, Supervisor

Jerry Davis, CEIC, IV

Judy Morgan, I

Robert Prather, CEIC, IV

Timothy Runions, CEIC, IV

Robert Shannon, CEIC, IV

Middle Tennessee District

Todd Rice, CEM - Manager

Joe Boaz, CEM - Off-Site Monitoring Supervisor

Alan Gober, CFE, CEIC, CSCUE - Trust Examination Specialist

54 Banks

\$9.0 Billion in Assets

John Hudson, CEIC, Supervisor

Justin Cary, II

Sherri Cassetty, CEIC, IV

Dennis Shipp, CFE, CEM, IV

David Tate, III

Mike Sisk, CEIC, Supervisor

Clyde McClaran, IV

Mark Richardson, II

Sam Short, II

Jeremy Sullivan, II

East Tennessee District
Kenneth Kelley, CEM - Manager
Louella McElroy, CEM - Off-Site Monitoring Supervisor
Wade McCullough, CEIC, CFE - Trust Examination Specialist
48 Banks
\$9.1 Billion in Assets

Chester Justice, Jr., CEM, Supervisor
Brian McGee, I
Traci Todd, III

Claude Huff, Jr., CEM, CFE, Supervisor
Jonathan Piper, CEIC, IV
Gretchen Richardson, III

COMPLIANCE DIVISION

West Tennessee District
Georgia Cannon, Supervisor

Nicole Chamblee
Larry Haralson
Robert Hornbeak
Alisa Logan
David Reynolds
Patrick Ryan, CFSA
Marilyn Schroeppel, CFSA
Dion Thornton

Middle Tennessee District
Chris Adams, CFSA, CFE, Supervisor

Robert Campbell
Christina Coleman
Michael Cranor
Bart Daughdrill
Robert Doyle
Marsha Jacks
Gene Smith, CFSA
Steve West
Michael Wiggins
Cathy Wilkerson

East Tennessee District
Brian Williams, Supervisor

Frank Barnes, CFSA
Chad Haney
David Kelly
Keith Sharp
Dennis Woodmore, CFSA
James Worley

CREDIT UNION DIVISION

Steve Eddings, Special Examiner Large Institutions, CSCUE, CFE, CEIC
1 Corporate Credit Union
\$1.3 Billion in Assets

West/Middle Tennessee District
69 Credit Unions
\$2.8 Billion in Assets
Randall Means, V, Supervisor, CSCUES
Rosalyn Miller, II
Dana Owen, CFE, CEIC, ACISE, IV
Tom Harper, CSCUE, IV
Robert Heisse, I

East Tennessee District
57 Credit Unions
\$2.8 Billion in Assets
John Shires, Supervisor, CSCUES, V

Lance Hogelin, CFE, CSCUE, IV
Shane Hardin, CFE, AFE, CSCUE, IV
Bill Cave, CFE, CEIC, CSCUE, IV
Dwight Ward, III

KEY TO STAFF TITLE DESIGNATIONS:

ACISE – Associate Certified Information Systems Examiner

AFE-Accredited Financial Examiner

CEIC-Certified Examiner-in-Charge

CEM-Certified Examinations Manager

CFE- Certified Financial Examiner

CFSA-Certified Financial Services Auditor

CPA-Certified Public Accountant

CPS-Certified Professional Secretary

CSCUE-Certified State Credit Union Examiner

CSCUES- Certified State Credit Union Examiner Supervisor

Roman Numerals denote field examiner level

**TOTAL NUMBER OF STATE-CHARTERED INSTITUTIONS
AND LICENSEES/REGISTRANTS**

CHARTERS	June 30, 2004	June 30, 2003
Commercial Banks/Savings Banks	163	159
Trust Companies	8	10
BIDCOs	3	2
Credit Unions	126	132
TOTAL NUMBER OF CHARTERS	300	303
 LICENSEES/REGISTRANTS		
Industrial Loan and Thrift Companies	701	726
Insurance Premium Finance Companies	61	59
Mortgage Companies	1,362	1,219
Money Transmitters	42	39
Deferred Presentment	1,299	1,186
Check Cashers	434	352
TOTAL NUMBER OF LICENSEES/REGISTRANTS	3,899	3,581

ADMINISTRATIVE AND SUPPORT SERVICES SECTION

The **Administrative and Support Services Section** administers the Department's budget and oversees fiscal services, human resources, training and development, and information systems. The Department receives no Federal money or State taxpayer money and is fully funded by the fees assessed to the financial institutions regulated and supervised by the Department.

At the end of Fiscal Year 2004, the Department had a surplus of \$1,353,932.75. A rebate of \$99,843.97 was made to the banks in accordance with Tennessee Code Annotated (T.C.A.) Section 45-1-118(d)(2) and \$1,254,088.78 reverted to the State's General Fund from surplus funds not associated with the bank assessment.

Departmental turnover was 12 percent for Fiscal Year 2004 of which six percent represented field examiner turnover. The average tenure of the Department's field examining force as of June 30, 2004 is 15 years for Bank examiners, 15 years for Credit Union examiners and nine years for Compliance examiners. The Department continues to work with both the Department of Personnel and the Department of Finance and Administration to develop an improved career path with salary progression for our examiners.

Technology is rapidly changing the face of business, government and the lives of the citizens of Tennessee. The Department is working to deploy the appropriate technologies to meet this challenge. In Fiscal Year 2004, the Department began implementation of a new document imaging system that will eventually scan and distribute electronically all of the working documents the Department receives. This will allow the Department to streamline workflow processes and the way documents are stored and retrieved.

In Fiscal Year 2005, the Department began the process of replacing its regulatory licensing system and its bank examination system with a single Web enabled system. By using the latest technology, the Department can manage securely all of its regulatory and examination data from this one system. It will also facilitate the expansion of on-line services to citizens and financial institutions, allowing them to conduct business electronically with the Department 24 hours a day.

Training is another integral part of developing and maintaining a qualified examining staff. To ensure value, the Department's training needs are annually assessed and budgeted. The majority of the structured training curriculum is acquired through external training sources such as the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Board of Governors of the Federal Reserve System, the Educational Foundation of the Conference of State Bank Supervisors, the National Association of State Credit Union Supervisors, the Federal Financial Institutions Examination Council, the National Association of Consumer Credit Administrators, the Money Transmitter Regulators Association, as well as other sources. During Fiscal Year 2004, Department personnel were able to attend 78 programs, of which 24 were held in the State of Tennessee.

The Department's mission is to provide the citizens of Tennessee with a sound system of state-chartered financial institutions. To ensure that this mission is met, the Department is committed to fully developing staff capabilities. Through the establishment and retention of an experienced regulatory staff, the Department can provide for a sound system of financial institutions while also creating an environment in which financial institutions can operate effectively and efficiently.

EXPENDITURE AND FUNDING SOURCES
FY 2003 - 2004

REVENUES

Appropriations-Bank Assessment Fee	\$	5,757,400.00
Other Banking Fees	\$	320,393.20
BIDCOs and Trust Company Fees	\$	74,717.73
Credit Union Fees	\$	1,749,192.94
Money Order Fees	\$	112,714.00
Loan Company Fees	\$	420,300.00
Insurance Premium Finance Company Fees	\$	27,000.00
Mortgage Company Fees	\$	663,550.00
Check Cashers Fees	\$	320,300.00
Deferred Presentment Fees	\$	939,000.00
Miscellaneous	\$	2,827.72

TOTAL REVENUES	\$	10,387,395.59
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EXPENDITURES

Personal Services	\$	5,104,617.45
Employee Benefits	\$	1,432,633.97

TOTAL PAYROLL	\$	6,537,251.42
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Travel	\$	672,787.05
Printing Duplicating and Film Processing	\$	48,589.26
Utilities and Fuel	\$	2,221.75
Communication and Shipping Costs	\$	39,037.83
Maintenance, Repair and Services	\$	2,325.60
Professional and Administrative Services	\$	599,043.93
Supplies and Equipment	\$	153,734.43
Rentals and Insurance	\$	731,304.10
Awards and Indemnities	\$	2,327.41
Grants and Subsidies	\$	49,190.71
Unclassified	\$	2,401.35
General Government Costs	\$	193,248.00

TOTAL OPERATIONAL	\$	2,496,211.42
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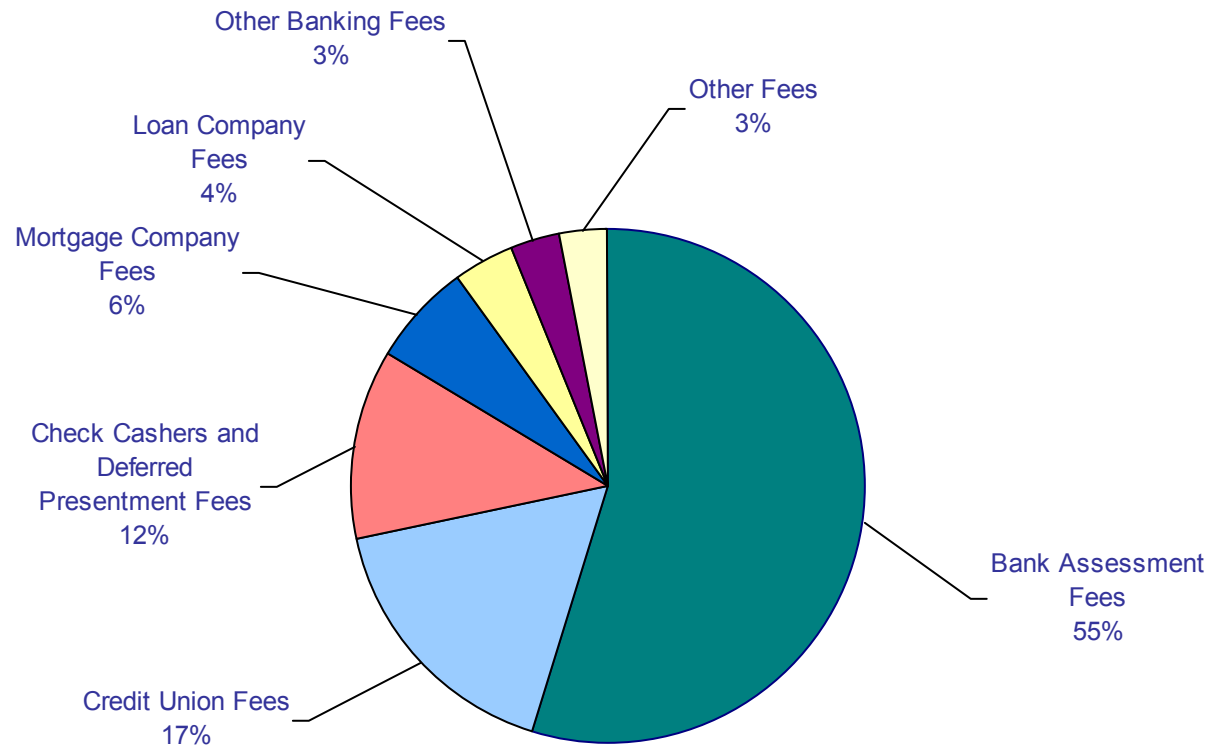
TOTAL EXPENDITURES	\$	9,033,462.84
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EXCESS OF REVENUE OVER EXPENDITURES	\$	1,353,932.75
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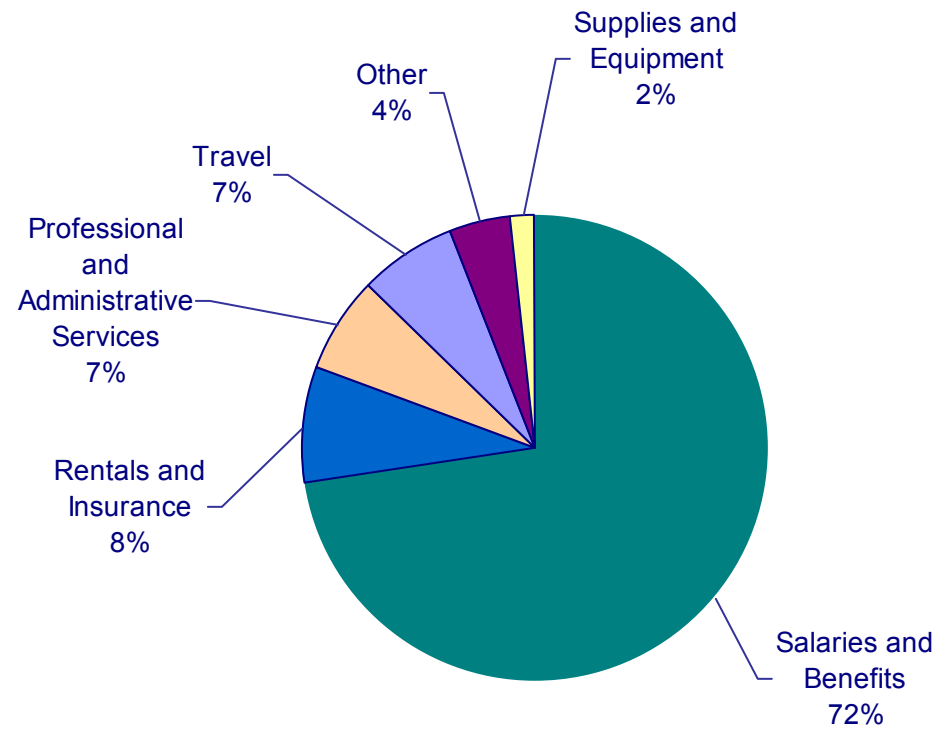
Rebated to Banks	\$	99,843.97
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Reverted to the State's General Fund	\$	1,254,088.78
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FUNDING SOURCES



EXPENDITURES



LEGAL SECTION

The **Legal Section** provides legal advice and representation for the Department. This Section consists of a General Counsel, four Staff Attorney positions and a Legal Assistant.

The Department's lawyers advise the Commissioner and Departmental personnel in all legal matters affecting the Department. They work with regulated entities and the general public in addressing legal issues. They also work closely with the Governor's Office and the Tennessee General Assembly on legislative issues affecting financial institutions. The Legal Section assists in the coordination of enforcement initiatives with other Federal and State regulators as well as with various law enforcement agencies.

The Legal Section was heavily involved in the 2004 Legislative Session by tracking bills, working closely with the Governor's Office, the General Assembly, and other groups sponsoring legislation which impacted the Department. This Section provided assistance to operating Divisions on issues involving mortgage loan originator registration; predatory lending; bank and trust company operations including interstate transactions; bank and credit union applications; money transmission; Bank Secrecy Act compliance; check cashing; deferred presentment; mortgage companies; credit union field of membership; and several other issues. The Legal Section is significantly involved in the day-to-day decision making process of the Department.

Public Chapter 455 Amends T.C.A. 45-2-1604 Effective: March 25, 2004

Public Chapter 455 amends T.C.A. 45-2-1604, specifically Section 45-2-1604 (b)(2), by deleting the requirement that a bank publish, in a newspaper of general circulation in the city or county where the bank's main office is located, its report of condition detailing resources and liabilities.

Public Chapter 657 Amends T.C.A. Title 66, Chapter 4 Effective: July 1, 2004

Public Chapter 657 adds a new section to Title 66, Chapter 4, requiring that all contracts for a home loan made by a nonprofit lender with a zero or low interest rate loan contain a restrictive covenant. Specifically, this restrictive covenant must provide that the zero or low interest rate cannot be refinanced, replaced, or consolidated without the prior written approval of the local board of directors of the nonprofit lender who originally financed the loan as long as the zero or low interest rate is in existence. This restrictive covenant only applies to loans that are secured by a one to four family dwelling used as the primary residence of the borrower. Each mortgage or deed of trust securing this type of home loan shall contain a statement on the face of the instrument notifying all parties of the restrictive covenant.

Public Chapter 746 Effective May 24, 2004

Chapter 871 of the Public Acts of 2002 created a special joint study committee to perform a comprehensive analysis of predatory lending issues in Tennessee. Chapter 316 of the Public Acts of 2003 extended the reporting deadline for this committee to February 28, 2004. In order to give the

committee additional time to properly investigate predatory lending issues and make recommendations, Public Chapter 746 was passed to further extend the reporting deadline of this committee to May 1, 2005.

Public Chapter 747
Amends Title 45, Chapters 1, 5 and 13
Effective: January 1, 2005

Public Chapter 747 makes amendments to the Residential Lending, Brokerage and Servicing Act (Mortgage Act) and the Industrial Loan and Thrift Act (TILT Act). Most significantly, Public Chapter 747 requires that all mortgage loan originators register with the Department of Financial Institutions in affiliation with one licensed/registered mortgage company under the Mortgage Act. Public Chapter 747 makes clear that the licensed/registered mortgage company is responsible for and shall supervise the acts of the mortgage loan originator and, moreover, that the licensed/registered mortgage company is subject to disciplinary action for the unlawful conduct of those mortgage loan originators. Also, Public Chapter 747 requires that licensees/registrants under the Mortgage Act designate managing principals/branch managers and ensure that such managers have sufficient experience to operate the business of the licensee/registrant lawfully. Additionally, Public Chapter 747 removes from the Mortgage Act the 14-day notice requirement of the Department's intent to conduct an examination and provides the commissioner with specific authority under both the Mortgage Act and TILT Act to order civil money penalties up to \$10,000 against a person for violation of both Acts.

Rulemaking

New Rule - Chapter 0180-32 – Rules Pertaining to Industrial Loan and Thrift Companies
Effective Date: November 26, 2004

This new rule requires that an Industrial Loan and Thrift Company pay a non-refundable \$25.00 fee for obtaining a substitute certificate of registration.

Public Necessity Rule – Chapter 0180-17 – Rules Pertaining to Mortgage Lending, Loan Servicing and Loan Brokering
Effective Date: September 29, 2004
Effective Through: March 13, 2005

This public necessity rule sets forth a fee of \$100.00 for registering a mortgage loan originator under the Residential Lending, Brokerage and Servicing Act ("Mortgage Act") as authorized by Public Chapter 747. It was necessary to promulgate this public necessity rule so that the Department could begin the registration of mortgage loan originators on January 1, 2005 as mandated by the General Assembly. This rule further sets forth a \$25.00 fee for obtaining a substitute license, certificate of registration, or mortgage loan originator registration certificate, and changes the date of renewal of registration under the Act from December 10 to December 1 of each year to correspond with amendments made to the Mortgage Act in 2001.

BANK DIVISION

The **Bank Division** has legal responsibility for assuring the Tennessee state-chartered banking system runs on a safe and sound basis. In its supervisory role, the Bank Division periodically examines the financial soundness of all state-chartered banks, savings banks and non-depository independent trust companies. Bank examiners perform evaluations of each institution's assets, liabilities, income and expenses; monitor compliance with governing laws and regulations; and rate the effectiveness of the institution's management. The adequacy of capital is assessed to assure the protection of depositors. In addition, examiners review the Information Technology functions of state-chartered financial institutions for compliance with generally accepted Information Technology practices and for adherence to Departmental regulations. Bank Division staff also examines Business and Industrial Development Corporations (BIDCOs) for compliance with governing statutes and evaluates applications for new institutions, branches, expanded financial activities and corporate reorganizations. As of June 30, 2004, the Bank Division oversaw the affairs of 174 financial institutions, consisting of 163 banks, three BIDCOs and eight independent non-depository trust companies.

The Department met the statutory obligation of examining all institutions on either a 12-month or an 18-month basis. This was accomplished through coordination with Federal banking regulators.

Bank Examination

As of June 30, 2004, consolidated total assets of Tennessee state-chartered banks totaled \$26.8 billion, representing a \$1.7 billion increase since June 30, 2003. Excluding those banks that have been organized less than two years, (De Novo banks), the average asset growth rate from June 30, 2003 to June 30, 2004 was 7.17 percent.

As of June 30, 2004 Tennessee state-chartered banks had consolidated capital totaling \$2.8 billion, which represents 10.45 percent of total assets. Our banks, overall, remain well-capitalized and profitable.

State-chartered banks in Tennessee had a Return on Average Assets (ROAA) of 0.95 percent on June 30, 2004 with an average Net Interest Margin (NIM) of 4.31 percent. These ratios reflect the banks' earnings performance remaining stable over prior mid-year 2003, when the average ROAA was 0.94 percent and average NIM was 4.32 percent. The banks' average Allowance for Loan and Lease Losses ratio was 1.74 percent on June 30, 2004, which is only slightly below the June 30, 2003 ratio of 1.77 percent. Overall, state-chartered banks have an average past due ratio of 2.21 percent as of June 30, 2004, improving over the June 30, 2003 average past due ratio of 3.21 percent.

Our state-chartered banks, as a whole, are capably positioned, strategically and financially, to meet new opportunities in the changing economic and political environments and continuing technological and financial innovation.

Trust Examination

At June 30, 2004, the Department supervised eight non-depository trust companies. As of this date, these companies reported consolidated total assets of \$49.2 million almost unchanged from \$49.8 million reported at June 30, 2003. This stability in total assets under management remained despite the conversion of Independence Trust Company in Franklin, Tennessee to a Federal savings bank effective January 27, 2004 and the possession and subsequent liquidation of Sentinel Trust Company by the Department in May and July, 2004, respectively. This liquidation is still in process.

Aggregated net income for Tennessee trust companies increased 130 percent from June 30, 2003 to June 30, 2004 from a negative \$5.6 million to \$1.7 million. This positive earnings posture can be partially attributed to continued account growth, a relatively stable equity market and decreased expenses. Trust assets under management increased \$1.1 billion from June 30, 2003 to June 30, 2004 from \$6.2 billion to \$7.3 billion, inclusive of assets invested in common/collective trust funds.

Status of Sentinel Trust Company, Hohenwald, Tennessee (In Liquidation)

During the course of the Department's regulatory examination of Sentinel Trust Company (Sentinel), it was determined that Sentinel was engaging in unsafe and unsound fiduciary practices which had caused a deficient fiduciary cash position for which Sentinel's capital was insufficient to cover; therefore, on May 18, 2004, pursuant to T.C.A. § 45-2-1502 (b)(1) and (c)(1), Commissioner Kevin P. Lavender took possession of Sentinel. Immediately thereafter, the Commissioner issued an Order appointing a Receiver, pursuant to T.C.A. § 45-2-1502(b)(2).

After taking possession and assessing whether Sentinel could be rehabilitated, liquidation was determined necessary; therefore, on June 18, 2004, a Notice of Liquidation was issued. On September 14 and 28, 2004, Court Orders were issued declaring successor fiduciaries for the three personal accounts. These three personal accounts had assets totaling \$163,988.83. Pursuant to November 15 and December 1, 2004 Court Orders, on December 15, 2004 cash and assets totaling \$23,302,870 held in 121 bond issues with \$473,273,306 in principal outstanding were transferred to five successor fiduciaries. The Receiver continues to manage 16 defaulted bond issues with \$80,850,000 in principal outstanding. As of December 31, 2004, the Receiver was holding \$4,729,156 in cash for these defaulted accounts.

The Pooled Fiduciary Cash Account had a balance of \$2,462,793 as of December 31, 2004. The Proof of Claim Process regarding the cash that was purportedly held in the Fiduciary Cash Account is in process with a filing deadline of July 31, 2005.

Business and Industrial Development Corporations (BIDCOs)

Tennessee Code Annotated, § 45-8-225, requires a report to be published annually that summarizes the accomplishments of the various BIDCOs operating in Tennessee. As of June 30, 2004, the Department supervised the operation of two BIDCOs. However, only one BIDCO made loans during 2003, providing financing totaling \$1,815,000 to five small businesses, preserving or creating 150 jobs. The December 31, 2003 summary analysis of the number and dollar amount of loans extended to certain broad categories is detailed as follows:

<u>CATEGORY</u>	<u>NUMBER</u>	<u>AMOUNT</u>
Services	03	965,000
Manufacturing	01	500,000
Construction	<u>01</u>	<u>350,000</u>
TOTAL	05	\$ 1,815,000

Summary Comments

The Division strives to maintain the highest professional standard while operating its programs and activities as efficiently as possible. A wide range of analytical activities is used to evaluate financial institutions' practices and their financial soundness. Economic and financial systems complexities require that our staff be highly knowledgeable and trained to deal with all issues facing our regulated financial institutions. The Division maintains open-door communications with the representatives of our regulated institutions; striving for State Charters to be the Charters of Choice.

BANK DIVISION APPLICATION ACTIVITIES FY 2003-2004

NEW BANKS OPEN

<u>Date Open</u>	<u>Name of Bank</u>
11-24-03	Homeland Community Bank in McMinnville, Tennessee
12-3-03	Heritage Community Bank in Greeneville, Tennessee
1-20-04	MidSouth Bank in Murfreesboro, Tennessee
2-5-04	American Trust Bank of East Tennessee in Lenoir City, Tennessee
4-19-04	Cedarstone Bank in Lebanon, Tennessee
5-17-04	American Security Bank & Trust in Hendersonville, Tennessee

BANK MERGERS FY 2003-2004

<u>Date of Merger</u>	<u>Name of Institution</u>
11-21-03	Rutherford Bank and Trust in Murfreesboro, Tennessee merged with and into Greene County Bank in Greeneville, Tennessee, under the title of Greene County Bank
11-21-03	First Independent Bank in Gallatin, Tennessee merged with and into Greene County Bank in Greeneville, Tennessee, under the title of Greene County Bank
3-31-04	People's Community Bank in Johnson City, Tennessee merged with and into First Community National Association in Bluefield, Virginia, under the title of First Community National Association

CONVERSIONS FY 2003-2004

**Date of
Conversion**

Name of Institution

1-1-04

The Community National Bank of Lexington in Lexington, Tennessee converted to a Tennessee state-chartered commercial bank to be named Community Bank

**TRUST COMPANY VOLUNTARY AND INVOLUNTARY
CORPORATE TRANSACTIONS
FY 2003-2004**

**Date of
Transaction**

Name of Trust Company

3-15-04

Independence Trust Company in Franklin, Tennessee, converted to a Federal Savings Bank under the name of Independence Trust Company

5-18-04

Sentinel Trust Company in Hohenwald, Tennessee
(Commissioner Lavender took emergency possession of the company and appointed Receivership Management, Inc. as the Receiver.)

BIDCO TRANSACTIONS FY 2003-2004

**Date of
Transaction**

Name of BIDCO

6-21-04

The Loan Depot Lending Company, Inc. in Chattanooga, Tennessee – BIDCO License Issued

KEY BANK RATIOS

June 30, 2004

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
ADAMSVILLE	Farmers & Merchants Bank	10.96	48.87	39.43	3.33	5.74	0.66
ASHLAND CITY	Community Bank & Trust Comp of Cheatham County	8.27	79.76	69.22	1.31	10.63	0.87
ATHENS	SouthEast Bank & Trust	9.64	92.06	78.47	1.25	-1.37	-0.14
ATWOOD	Citizens Bank & Trust Company	7.89	48.12	43.81	1.32	16.49	1.33
BARTLETT	Bank of Bartlett	8.01	59.03	46.01	1.47	5.68	0.49
BELLS	Bank of Crockett	9.67	54.46	47.56	1.47	14.27	1.4
BELLS	Bells Banking Company	13.48	41.98	35.97	1.83	4.94	0.66
BENTON	Benton Banking Company	9.59	89.38	80.42	1.31	10.65	1
BENTON	Peoples Bank of Polk County	12.27	71.19	62.22	1.43	3.01	0.38
BOLIVAR	First South Bank	8.47	79.73	69.95	1.41	18.77	1.68
BOLIVAR	The Bank of Bolivar	10.19	51.57	45.6	4.65	19.06	1.81
BRADFORD	The Bank of Bradford	15.31	32.34	27.25	2.85	3.53	0.53
BRENTWOOD	Premier Bank of Brentwood	8.13	97.29	84.01	1.06	9.88	0.82
BRIGHTON	Brighton Bank	10.05	90.92	75.97	1.47	3.39	0.34
BROWNSVILLE	INSOUTH Bank	8.29	107.79	77.13	0.69	11.24	0.96
BYRDSTOWN	People's Bank & Trust Company of Pickett County	12.1	90.81	76.92	2.36	16.96	2.06
CAMDEN	Bank of Camden	14.2	38.66	32.59	2.53	10.33	1.49
CARTHAGE	Citizens Bank	16.43	65.22	54.15	1.2	14.88	2.45
CARTHAGE	Cumberland Bank	7.7	80.23	67.6	1.36	5.57	0.43
CARTHAGE	Community Bank of Smith County	8	91.74	80.94	1.23	10.65	0.86
CHAPEL HILL	First State Bank	16.23	65.02	50.78	1.38	6.66	1.09
CHATTANOOGA	First Volunteer Bank of Tennessee	8.83	83.36	74.52	1.24	10.8	1
CHATTANOOGA	Cornerstone Community Bank	8.13	101.16	79.55	1.26	15.32	1.17
CLARKSVILLE	Farmers and Merchants Bank	7.51	95.67	82.54	1.1	9.3	0.69
CLARKSVILLE	Legends Bank	9.09	79.74	66.15	1.23	10.33	0.94
CLARKSVILLE	Cumberland Bank and Trust	9.67	88.96	72.92	1.35	4.29	0.43
CLEVELAND	The Bank/First Citizens Bank	8.04	87.66	71.81	1.56	25.41	2.03
CLEVELAND	Bank of Cleveland	9.35	104.03	90.39	1.11	18.33	1.68
CLEVELAND	Southern Heritage Bank	8.25	86.2	78.97	1.34	12.27	1.01
CLIFTON	Peoples Bank	8.32	81.66	72.53	2.21	11.58	0.94
CLINTON	The Community Bank of East Tennessee	8.42	63.63	58.22	1.15	5.28	0.45
COLLIERVILLE	BankTennessee	7.78	85.46	69.55	1.62	0.22	0.02
COLUMBIA	Community First Bank & Trust	9.26	89.25	78.26	1.28	10.36	0.88
COOKEVILLE	Bank of Putnam County	7.58	52.27	48.19	0.84	13.87	1.05
CORDOVA	First Alliance Bank	9.51	96.67	83.01	1.49	2.9	0.29
CORNERSVILLE	Farmers Bank	10.33	93.9	71.72	1.35	4.89	0.51
CROSSVILLE	Cumberland County Bank	7.81	49.97	45.94	1.26	15.62	1.23
DECATURVILLE	Decatur County Bank	12.53	53.03	38.06	1.5	5.29	0.7
DICKSON	Bank of Dickson	13	67.3	55.98	1	8.69	1.15
DICKSON	TriStar Bank	10.32	67.74	60.66	1.22	6.15	0.7
DUNLAP	Mountain Valley Bank	12.24	86.19	75.18	1.22	9.12	1.12
DUNLAP	Citizens Tri-County Bank	8.09	73.4	66.29	1.44	18.85	1.61
DYER	The Farmers & Merchants Bank	9.15	63.69	53.39	1.3	10.26	0.89
DYER	Bank of Dyer	7.69	64.46	45.11	2.87	-16.22	-1.21
DYERSBURG	Security Bank	10.56	71.9	58.31	1.18	11.01	1.18

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
ELIZABETHTON	Citizens Bank	10.62	98.76	75.26	1.15	19.91	2.36
ELIZABETHTON	Carter County Bank of Elizabethton	8.96	91.56	78.04	1.06	19.98	1.8
ERIN	Traditions First Bank	11.04	72.12	50.73	1.27	5.31	0.62
FAYETTEVILLE*	Bank of Lincoln County	12.57	78.56	68.63	1.4	7.91	0.99
FRANKEWING	Bank of Frankewing	10.02	84.17	74.74	1.51	15.46	1.52
FRANKLIN	Cumberland Bank South	7.35	68.58	57.79	1.31	9.69	0.7
FRANKLIN	Tennessee Commerce Bank	10.43	94.54	85.25	1.34	7.59	0.67
FRIENDSHIP	Friendship Bank	10.52	85.15	72.6	3.22	10.69	1.09
GAINESBORO	Jackson Bank & Trust	10.08	79.93	65.62	1.69	9.86	1.02
GATES	Gates Banking & Trust Company	11	46.73	41.13	2.42	5.88	0.64
GERMANTOWN	Renasant Bank	8.37	95.24	79.74	1.58	4.81	0.4
GERMANTOWN*	First Source Bank	25.56	111.11	84.72	1.28	-1.8	-0.49
GLEASON	Bank of Gleason	16.21	56.61	47.32	1.63	12.39	1.97
GREENEVILLE	Greene County Bank	8.73	109.17	86.6	1.51	11.15	1.14
GREENEVILLE	Andrew Johnson Bank	8.86	90.94	81.39	1.89	9.67	0.87
GREENEVILLE	Bank of Greeneville	8.49	94.82	81.63	1.88	14.21	1.19
GREENEVILLE*	Heritage Community Bank	28.01	89.49	66.24	1.24	-18.42	-6.03
GREENFIELD	Greenfield Banking Company	12.39	69.97	58.21	1.62	8.03	0.97
HALLS	Bank of Halls	12.21	63.84	55.56	1.28	10.61	1.26
HALLS	The Lauderdale County Bank	8.32	58.83	52.09	1.63	3.69	0.28
HARROGATE	Commercial Bank	10.2	90.39	67.47	0.94	10.92	1.1
HARTSVILLE	Citizens Bank	8.57	83.25	71.63	1.07	11.37	0.97
HENDERSON	First State Bank	13.32	45.33	36.54	5.1	14.36	1.82
HENDERSON	Chester County Bank	8.07	43.66	38.93	4.12	10.67	0.86
HENDERSONVILLE*	American Security Bank & Trust Company	144.11	18.2	7.27	1.47	-50.4	-72.58
HUNTINGDON	Carroll Bank and Trust	10.43	68.9	60.37	1.72	11.74	1.21
JACKSON	The Bank of Jackson	11.14	85.27	74.1	1.27	11.36	1.28
JAMESTOWN	Union Bank	12.58	67.44	58.63	1.27	9.94	1.25
JAMESTOWN	Community Bank of the Cumberlands	9.77	82.36	74.09	1.71	5.78	0.55
JASPER	Citizens State Bank	7.45	70.15	65.03	1.15	12.79	0.98
JEFFERSON CITY	First Peoples Bank of Tennessee	8.07	74.73	66.64	1.52	4.88	0.4
JELLICO	Union Bank	11.35	61.25	54.09	1.21	17.33	1.98
JOHNSON CITY	State of Franklin Savings Bank	7.4	64.49	49.54	0.97	10.97	0.85
KINGSPORT	Bank of Tennessee	8.92	99.76	79.37	1.26	20.7	1.69
KNOXVILLE	BankEast	24.22	60.79	45.42	3.05	-21.38	-3.96
LAFAYETTE	Citizens Bank of Lafayette	11.09	56.5	50.01	1.46	9.26	1.01
LAFAYETTE	Macon Bank and Trust Company	10.77	53.68	47.07	1.65	9.53	1.06
LEBANON	Wilson Bank and Trust	8.83	81.94	73.51	1.26	14.34	1.22
LEBANON	Academy Bank	12.41	85.29	74.49	1.46	6.61	0.81
LEBANON*	CedarStone Bank	81.32	36.45	19.32	1.24	-22.71	-18.34
LENOIR CITY	United Community Bank Tennessee	7.84	67.47	57.04	1.33	1.11	0.18
LENOIR CITY*	American Trust Bank of East Tennessee	51.56	100.62	56.27	1.34	-14.17	-9.06
LEWISBURG*	First Commerce Bank	12.83	86.5	75.83	1.26	5.34	0.71
LEXINGTON	First Bank	8.77	102.01	75.92	1.75	11.39	1.28
LEXINGTON	Community Bank	10.35	76.22	55.73	2.11	8.98	0.95
LIBERTY	Liberty State Bank	9.81	68.8	61.63	1.92	12.38	1.2
LIVINGSTON	Union Bank & Trust Company	9	33.83	30.67	2.77	28.14	2.37
LIVINGSTON	American Bank & Trust of the Cumberlands	8.96	71.3	64.19	1.34	9.16	0.81
LOBELVILLE	Bank of Perry County	16.78	87.58	70.49	1.7	15.66	2.68
LYNCHBURG	The Farmers Bank of Lynchburg	12.1	67.45	58.68	3.04	5.64	0.67
MADISONVILLE	Peoples Bank of East Tennessee	8.44	83.76	76.32	1.3	7.53	0.61
MANCHESTER	Peoples Bank & Trust Company	9.49	50.22	43.82	1.19	8.54	0.88

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MANCHESTER	Coffee County Bank	9.53	88.88	80.72	1.29	28	2.67
MARYVILLE	Citizens Bank of Blount County	15.59	80.97	66.42	1.42	9.92	1.5
MARYVILLE	The Home Bank of Tennessee	8.91	97.85	79.09	1.25	13.24	1.2
MASON	The Bank of Mason	12.2	31.43	27.58	2.04	3.33	0.38
MAURY CITY	Planters Bank of Tennessee	10.42	68.14	60.8	3.87	2	0.2
MC KENZIE	McKenzie Banking Company	10.54	44.9	39.58	8.47	14.57	1.51
MC MINNVILLE*	Homeland Community Bank	28.34	45.96	34.36	1.25	-13.01	-4.37
MEDINA	Medina Banking Company	17.71	41.27	33.91	1.87	7.9	1.39
MEMPHIS	Tri-State Bank of Memphis	10.98	55.26	48.98	2.26	5.68	0.63
MEMPHIS	Trust One Bank	7.73	93.18	63.23	1.46	9.09	1.15
MEMPHIS	Independent Bank	9.62	94.68	82.88	1.05	10.55	0.91
MEMPHIS	MemphisFirst Community Bank	9.78	63.04	56.59	3.45	-15.7	-1.55
MILAN	The Bank of Milan	9.34	69.61	49.3	3.8	13.82	1.3
MILLINGTON*	Patriot Bank	9.69	87.16	78.73	1	12.9	1.22
MORRISTOWN	Union Planters Bank of the Lakeway Area	11.31	59.38	51.34	2.48	8.02	0.94
MOSCOW	The Bank of Fayette County	8.71	100.12	84.34	1.15	13.76	1.2
MOUNT JULIET	Bank of the South	9.98	79.26	70.31	1.15	5.44	0.55
MOUNTAIN CITY	Farmers State Bank	13.87	59.57	48.2	1.3	9.45	1.31
MOUNTAIN CITY	Johnson County Bank	10.4	94.24	73.74	1.73	10.72	1.1
MURFREESBORO	Cavalry Banking	9.47	89.43	79.83	1.1	9.16	0.87
MURFREESBORO*	MidSouth Bank	53	60.45	32	1.25	-13.23	-8.95
NASHVILLE	Citizens Savings Bank and Trust Company	9.44	82.18	74.01	1.4	7.61	0.68
NASHVILLE	The Bank of Nashville	8.83	122.83	75	1.58	4	0.7
NASHVILLE	Capital Bank & Trust Company	7.27	88.5	73.66	1.37	12.4	0.9
NASHVILLE	Insurors Bank of Tennessee	9.13	93.08	72.47	1.29	8.61	0.79
NASHVILLE	PrimeTrust Bank	9.04	86.89	76.97	1.25	3.21	0.27
NEW TAZEWEEL	Citizens Bank	9.34	72.41	64.99	1.3	-0.68	-0.06
OAK RIDGE	TNBANK	7.46	93.49	79.19	1.29	10.98	0.83
OAKLAND	Oakland Deposit Bank	7.69	70.81	64.3	1.69	7.1	0.55
ONEIDA	First Trust and Savings Bank	7.4	69.91	63.18	1.64	19.25	1.42
OOLTEWAH	Community Trust & Banking Company	13.41	96.71	76.3	1.24	4.77	0.65
PARIS	Commercial Bank & Trust Company	7.56	76.87	68.94	1.79	17.07	1.48
PARIS	Security Bank and Trust Company	8.87	79.18	71.37	0.68	16.14	1.47
PARSONS	Farmers Bank	8.97	62.78	56.21	1.35	8.63	0.77
PARSONS	Community South Bank	9.86	94.04	67.49	1.89	7.02	0.76
PIGEON FORGE	Tennessee State Bank	7.84	87.08	68.57	1.37	18.7	1.47
PORTLAND	The Farmers Bank	8.64	71.64	58.92	1.29	12.03	1.09
PORTLAND	Volunteer State Bank	9.13	77.44	68.73	1.15	14.87	1.38
RIPLEY	Bank of Ripley	14.36	57.83	44.36	1.78	6.52	0.95
ROGERSVILLE	The Citizens Bank of East Tennessee	7.8	78.58	68.87	1.18	10.08	0.79
ROGERSVILLE	First Community Bank of East Tennessee	7.99	98.28	79.51	1.1	15.14	1.17
RUTLEDGE	Citizens Bank & Trust Company of Grainger County	17.37	47.3	38.97	3	6.99	1.22
SARDIS	The Peoples Bank	12.63	59.31	51.05	2.54	7.46	0.93
SAVANNAH	The Hardin County Bank	9.26	66.05	55.42	0.99	12.97	1.16
SAVANNAH	Central Bank	12.5	73.59	61.69	1.47	8.25	1.02
SELMER	Home Banking Company	7.46	70.16	64.52	1.48	11.33	0.85
SEVIERVILLE	Sevier County Bank	12.29	57.14	49.94	1.76	7.62	0.93
SHELBYVILLE	First Community Bank of Bedford County	10.84	78.27	64.43	1.59	12.25	1.32
SHELBYVILLE	Peoples Bank of Bedford County	10.72	75.26	67.48	1.71	13.37	1.38
SMITHVILLE	DeKalb Community Bank	6.88	85.24	77.36	1.82	0.11	0.01
SOMERVILLE	The Somerville Bank & Trust Company	7.94	73.94	65.38	2.15	10.34	1.13
SPENCER	Citizens Bank of Spencer	11.96	50.74	43.88	3.99	5.92	0.73
SPRING CITY	First Bank of Tennessee	8.55	95	82.83	0.96	20.18	1.72

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
TAZEWELL	First Century Bank	9.05	58.01	52.84	1.53	11.87	1.05
TOONE	Merchants & Planters Bank	8.15	57.29	51.37	4.37	4.7	0.37
TRENTON	Peoples State Bank of Commerce	8.18	75.01	63.73	1.25	7.12	0.89
TRENTON	Citizens City & County Bank	8.26	78.67	71.85	1.61	7.64	0.6
TREZEVANT	Farmer's and Merchants Bank	8.09	95.94	83.65	1.82	11.26	0.95
TULLAHOMA	American City Bank of Tullahoma	8.73	74.86	62.52	0.76	-5.32	-0.56
UNION CITY	First State Bank	8.22	85.73	73.19	1.11	9.15	0.75
UNION CITY	Reelfoot Bank	9.1	83.11	74.32	1.33	-1.7	-0.15
WARTBURG	Citizens First Bank	7.8	95.74	79.86	0.99	10.68	0.84
WAYNESBORO	The Bank of Waynesboro	10.66	88.91	72.79	2.35	11.89	1.28
WAYNESBORO	Wayne County Bank	13.4	86.19	72.72	4.55	11.44	1.57
WINCHESTER	Citizens Community Bank	10.79	75.27	65.57	1.65	17.78	2.09
WOODLAND MILLS	The Farmers Bank	15.1	51.32	43.43	1.79	4.26	0.63
AVERAGE FOR BANKS OPERATING OVER TWO YEARS		10.11	75.28	63.59	1.74	9.57	0.95

* Indicates banks operating less than two years

TENNESSEE STATE-CHARTERED BANKS
Consolidated Balance Sheet
(In Millions)

	June 30, 2004	June 30, 2003	\$ Change	% Change
ASSETS				
Cash and Due from Banks	977	1061	-84	-7.92
Securities	5,369	4,882	487	9.98
Federal Funds Sold and Securities Purchased Under Agreement to Resell	636	1,015	-379	-37.34
Loans and Leases Held for Sale	223	332	-109	-32.83
Loans and Leases, Net of Unearned Income	18,262	16,700	1,562	9.35
Allowance for Loan and Lease Losses	-271	-258	-13	5.04
Assets held in Trading Accounts	0	0	0	
Premises and Fixed Assets	654	599	55	9.18
Other Real Estate Owned	68	88	-20	-22.73
Investments in Unconsolidated Subsidiaries	8	9	-1	-11.11
Intangible Assets	264	153	111	72.55
Other Assets	650	546	104	19.05
TOTAL ASSETS	26,840	25,127	1,713	6.82
LIABILITIES				
Non-Interest Bearing Deposits	2,843	2,577	266	10.32
Interest Bearing Deposits	19,428	18,457	971	5.26
TOTAL DEPOSITS	22,271	21,034	1,237	5.88
Federal Funds Purchased and Securities Sold Under Repurchase Agreement	429	324	105	32.41
Demand Notes Issued to the U. S. Treasury	0	0	0	
Trading Liabilities	0	0	0	
Other Borrowed Money	1,196	1,056	140	13.26
Other Liabilities	139	165	-26	-15.76
TOTAL LIABILITIES	24,035	22,579	1,456	6.45
Minority Interests in Consolidated Subsidiaries	0	1	-1	-100.00
EQUITY CAPITAL				
Preferred Stock	5	1	4	400.00
Common Stock	211	176	35	19.89
Surplus	1,185	936	249	26.60
Undivided Profits	1,442	1,370	72	5.26
Accumulated Other Comprehensive Income	-37	64	-101	-157.81
Other Equity Capital Components	-1	0	-1	
TOTAL EQUITY CAPITAL	2,805	2,547	258	10.13
TOTAL LIABILITIES AND EQUITY CAPITAL	26,840	25,127	1,713	6.82

TENNESSEE STATE-CHARTERED BANKS
Consolidated Income Statement
(in Millions)

	June 30, 2004	June 30, 2003
Interest Income	680	689
Interest Expense	184	221
NET INTEREST INCOME	496	468
Non-Interest Income	125	123
Non-Interest Expense	408	381
Provision for Loan Losses	32	40
Securities Gains/Losses	2	6
Pre-Tax Net Income	183	176
Applicable Income Taxes	49	48
NET OPERATING INCOME	134	128
Extraordinary Gains/Losses	0	1
NET INCOME	134	129
TOTAL CASH DIVIDENDS	54	71

TENNESSEE STATE-CHARTERED BANKS
Summary of Individual Banks as of June 30, 2004
(In Thousands)

City	Institution	(A) Cash	(B) Invest- ments	(C) Total Loans	(D) Loan Loss Reserve	(E) Other Assets	Total Assets	(F) Deposits	(G) Other Liabilities	(H) Minority Interest in Consol- idated Subsidiary	(I) Capital	(J) Net Income
ADAMSVILLE	Farmers & Merchants Bank	6668	9515	11640	388	1103	28538	23022	2235	0	3281	96
ASHLAND CITY	Community Bank & Trust Co. of Cheatham County	2862	26474	78459	1031	5088	111852	97073	6309	0	8470	452
ATHENS	SouthEast Bank & Trust	2245	11788	78043	976	7110	98210	83712	5554	0	8944	-62
ATWOOD	Citizens Bank & Trust Company	674	9760	8775	116	671	19764	17994	175		1595	129
BARTLETT	Bank of Bartlett	13889	192748	203622	3002	28778	436035	339836	63404	0	32795	978
BELLS	Bells Banking Company	3585	16732	11881	218	448	32428	27785	227	0	4416	110
BELLS	Bank of Crockett	6018	40272	47695	700	5526	98811	86292	2433	0	10086	717
BENTON	Peoples Bank of Polk County	1061	6848	14042	201	495	22245	19441	102	0	2702	43
BENTON	Benton Banking Company	3538	10675	75844	995	4015	93077	83741	219	0	9117	474
BOLIVAR	The Bank of Bolivar	1919	23641	25010	1164	2886	52292	46240	1180	0	4872	469
BOLIVAR	First South Bank	9541	50880	177490	2498	14750	250163	219467	8716	0	21980	2093
BRADFORD	The Bank of Bradford	5360	22488	11028	314	756	39318	33130	146	0	6042	106
BRENTWOOD	Premier Bank of Brentwood	5499	14080	128043	1357	4537	150802	130219	8454	0	12129	591
BRIGHTON	Brighton Bank	2143	7038	40052	590	3298	51941	43401	3265	0	5275	90
BROWNSVILLE	INSOUTH Bank	25810	49558	383633	2649	37596	493948	353441	100305	0	40202	2244
BYRDSTOWN	People's Bank & Trust Co. of Pickett County	2113	13017	63489	1496	3468	80591	68264	2472	0	9855	822
CAMDEN	Bank of Camden	4497	85871	48951	1239	8336	146416	123407	2221	0	20788	1098
CARTHAGE	Community Bank of Smith County	954	9927	62363	765	3628	76107	67144	3056	0	5907	312
CARTHAGE	Citizens Bank	5749	183838	240610	2884	11716	439029	364503	1721	0	72805	5372
CARTHAGE	Cumberland Bank	6997	70301	193589	2628	14244	282503	238015	21783	250	22455	632
CHAPEL HILL	First State Bank	3951	13231	19144	265	1118	37179	29036	2258	0	5885	197
CHATTANOOGA	First Volunteer Bank of Tennessee	18885	54889	333187	4137	38737	441561	394750	5929	0	40882	2237
CHATTANOOGA	Cornerstone Community Bank	5612	31659	183724	2312	9375	228058	179330	31448	0	17280	1205
CLARKSVILLE	Legends Bank	16078	34807	116204	1427	7843	173505	143938	15363	0	14204	736
CLARKSVILLE	Farmers and Merchants Bank	7982	42913	372233	4096	26952	445984	384783	27745	0	33456	1501
CLARKSVILLE	Cumberland Bank and Trust	2022	15980	56266	761	2606	76113	62396	6699	0	7018	152
CLEVELAND	Southern Heritage Bank	4217	18747	114789	1541	7198	143410	131382	599	0	11429	697
CLEVELAND	The Bank/First Citizens Bank	17850	79082	279531	4369	11113	383207	313914	39100	0	30193	3766
CLEVELAND	Bank of Cleveland	3645	5218	154365	1715	7375	168888	146739	6607	0	15542	1393
CLIFTON	Peoples Bank	2555	15810	72041	1594	8314	97126	86273	2981	0	7872	452
CLINTON	The Community Bank of East TN	2160	23460	40884	469	3385	69420	63511	197	0	5712	155
COLLIERVILLE	BankTennessee	7206	36474	135140	2196	14530	191154	155569	21353	0	14232	16
COLUMBIA	Community First Bank & Trust	5326	41055	192974	2463	6555	243447	213449	8743	0	21255	1008
COOKEVILLE	Bank of Putnam County	7066	112079	118528	998	7217	243892	224856	942	0	18094	1278
CORDOVA	First Alliance Bank	1474	7941	65218	970	3739	77402	66458	3254	0	7690	111
CORNERSVILLE	Farmers Bank	1696	16224	60100	809	5457	82668	63142	11162	0	8364	205
CROSSVILLE	Cumberland County Bank	5113	70852	67277	849	2205	144598	132948	753	0	10897	867
DECATURVILLE	Decatur County Bank	5740	40846	31709	475	4239	82059	58902	13373	0	9784	277
DICKSON	TriStar Bank	1401	24199	50172	610	6546	81708	73160	387	0	8161	255
DICKSON	Bank of Dickson	2947	62622	90713	908	5042	160416	133436	6314	0	20666	915
DUNLAP	Mountain Valley Bank	1964	10779	51017	623	3894	67031	58466	348	0	8217	372
DUNLAP	Citizens Tri-County Bank	12044	68091	205966	2964	23091	306228	276564	3039	0	26625	2483
DYER	The Farmers & Merchants Bank	784	19868	29097	378	4417	53788	45090	4377	0	4321	242
DYER	Bank of Dyer	1318	18108	18566	533	2514	39973	27976	8981	0	3016	-271
DYERSBURG	Security Bank	12484	33662	80052	948	10408	135658	110012	11039	0	14607	818

City	Institution	(A) Cash	(B) Invest- ments	(C) Total Loans	(D) Loan Loss Reserve	(E) Other Assets	Total Assets	(F) Deposits	(G) Other Liabilities	(H) Minority Interest in Consol- idated Subsidiary	(I) Capital	(J) Net Income
ELIZABETHTON	Citizens Bank	12616	79633	390063	4500	34472	512284	390421	60806	0	61057	6136
ELIZABETHTON	Carter County Bank of Elizabethton	5675	26088	152674	1611	10754	193580	164996	11707	0	16877	1697
ERIN	Traditions First Bank	1276	22481	27607	350	2711	53725	37793	10544	0	5388	146
FAYETTEVILLE	Bank of Lincoln County	1907	21024	54385	764	1581	78133	68252	423	0	9458	376
FRANKEWING	Bank of Frankewing	6549	14906	86285	1305	7264	113699	100964	1582	0	11153	842
FRANKLIN	Cumberland Bank South	10061	111783	182489	2390	9700	311643	262611	28889	0	20143	979
FRANKLIN	Tennessee Commerce Bank	3654	23068	172768	2310	2761	199941	180301	295	0	19345	600
FRIENDSHIP	Friendship Bank	1876	17924	62121	2003	2887	82805	70603	3712	0	8490	453
GAINESBORO	Jackson Bank & Trust	3684	40597	108017	1826	11365	161837	132851	12426	0	16560	825
GATES	Gates Banking and Trust Company	860	14602	12563	304	2083	29804	26235	295	0	3274	98
GERMANTOWN	Renasant Bank	3743	30472	179501	2845	10657	221528	185493	17633	0	18402	443
GERMANTOWN	First Source Bank	277	6021	39531	505	741	46065	35123	83	0	10859	-98
GLEASON	Bank of Gleason	4187	47772	50767	827	3640	105539	88212	388	0	16939	1068
GREENEVILLE	Bank of Greeneville	5842	6250	75670	1424	4613	90951	78298	4915	0	7738	531
GREENEVILLE	Greene County Bank	32033	34455	987861	14905	84122	1123566	891236	116168	0	116162	6377
GREENEVILLE	Andrew Johnson Bank	8047	16275	146830	2772	8609	176989	158404	2181	0	16404	786
GREENEVILLE	Heritage Community Bank	1652	6500	20564	256	2197	30657	22694	513	0	7450	-718
GREENFIELD	Greenfield Banking Company	1371	15995	27704	450	2199	46819	38952	2042	0	5825	230
HALLS	Bank of Halls	1993	15941	26772	344	3206	47568	41398	358	0	5812	308
HALLS	The Lauderdale County Bank	1271	13891	19310	314	2312	36470	32289	1457	0	2724	53
HARROGATE	Commercial Bank	25815	72021	272131	2571	32155	399551	298226	60382	0	40943	2185
HARTSVILLE	Citizens Bank	2447	17878	58412	626	2559	80670	69412	4526	0	6732	382
HENDERSON	Chester County Bank	9440	15025	17224	710	1440	42419	37826	1172	0	3421	187
HENDERSON	First State Bank	4074	79182	53979	2753	5700	140182	112995	10220	0	16967	1257
HENDERSONVILLE	American Security Bank and Trust Company	326	16601	1424	21	977	19307	7708	28	0	11571	-717
HUNTINGDON	Carroll Bank and Trust	4509	46833	93138	1606	8733	151607	132850	3239	0	15518	924
JACKSON	The Bank of Jackson	2781	18184	69821	890	3133	93029	80834	1764	0	10431	582
JAMESTOWN	Community Bank of the Cumberlands	2286	10011	46570	798	3706	61775	55575	355	0	5845	171
JAMESTOWN	Union Bank	2361	41775	75065	955	8152	126398	109891	864	0	15643	794
JASPER	Citizens State Bank	3081	13149	38257	440	4102	58149	53908	85	0	4156	279
JEFFERSON CITY	First Peoples Bank of Tennessee	5954	21104	65710	997	5344	97115	86594	2709	0	7812	194
JELICO	Union Bank	2881	17423	28569	347	3650	52176	46077	404	0	5695	502
JOHNSON CITY	State of Franklin Savings Bank	7935	132450	153699	1489	14627	307222	236032	47977	0	23213	1275
KINGSPORT	Bank of Tennessee	16859	47166	353795	4475	26788	440133	350176	52126	0	37831	3531
KNOXVILLE	BankEast	3336	21176	34186	1043	15308	72963	54516	232	0	18215	-386
LAFAYETTE	Citizens Bank of Lafayette	8450	122783	140448	2053	7098	276726	244957	812	0	30957	1405
LAFAYETTE	Macon Bank and Trust Company	4633	97892	102758	1691	11104	214696	188272	2399	0	24025	1138
LEBANON	Wilson Bank and Trust	21629	132777	512639	6468	27976	688553	617714	11788	0	59051	4173
LEBANON	Academy Bank	442	7466	31486	460	2720	41654	36375	149	0	5130	169
LEBANON	CedarStone Bank	701	11014	3059	38	901	15637	8287	19	0	7331	-332
LENOIR CITY	United Community Bank Tennessee	22181	48151	134000	1788	29252	231796	195960	1717	0	34119	181
LENOIR CITY	American Trust Bank of East Tennessee	434	10024	14337	192	536	25139	14058	56	0	11025	-636
LEWISBURG	First Commerce Bank	1619	18713	75449	954	3418	98245	86122	452	0	11671	314
LEXINGTON	First Bank	24271	169770	844000	14793	68956	1092204	812851	156180	-2	123175	6963
LEXINGTON	Community Bank	1473	22206	32789	692	1818	57594	42113	9879	0	5602	268
LIBERTY	Liberty State Bank	2677	29342	58098	1114	3452	92455	82831	313	0	9311	560
LIVINGSTON	American Bank & Trust of the Cumberlands	2031	14890	36009	483	2897	55344	49828	781	0	4735	218
LIVINGSTON	Union Bank & Trust Company	2250	42868	22734	630	4859	72081	65346	948	0	5787	851
LOBELVILLE	Bank of Perry County	2380	16925	56322	957	3871	78541	63216	2299	0	13026	1045
LYNCHBURG	The Farmers Bank of Lynchburg	1180	20765	36127	1099	2721	59694	51930	737	0	7027	203
MADISONVILLE	Peoples Bank of East Tennessee	3327	13742	79548	1032	7291	102876	93743	782	0	8351	315

City	Institution	(A) Cash	(B) Invest- ments	(C) Total Loans	(D) Loan Loss Reserve	(E) Other Assets	Total Assets	(F) Deposits	(G) Other Liabilities	(H) Minority Interest in Consol- idated Subsidiary	(I) Capital	(J) Net Income
MANCHESTER	Peoples Bank & Trust Company	1403	28847	26209	313	2945	59091	51570	1642	0	5879	261
MANCHESTER	Coffee County Bank	1930	9662	55513	718	1495	67882	61651	279	0	5952	812
MARYVILLE	The Home Bank of Tennessee	2646	10771	77813	976	6894	97148	78528	9815	0	8805	576
MARYVILLE	Citizens Bank of Blount County	13232	58075	159803	2263	8336	237183	194563	5209	0	37411	1812
MASON	The Bank of Mason	1305	4099	2253	46	390	8001	7023	25	0	953	16
MAURY CITY	Planters Bank of Tennessee	2988	5172	16041	621	1783	25363	22630	95	0	2638	26
MCKENZIE	McKenzie Banking Company	24877	22627	37034	3135	4248	85651	75500	585	0	9566	678
MCMINNVILLE	Homeland Community Bank	756	15904	9701	121	1638	27878	20842	68	0	6968	-469
MEDINA	Medina Banking Company	3558	14510	9693	181	470	28050	23047	55	0	4948	198
MEMPHIS	Tri-State Bank of Memphis	8315	54622	66836	1508	5106	133371	118216	761	0	14394	414
MEMPHIS	MemphisFirst Community Bank	1614	8795	15207	524	854	25946	23292	211	0	2443	-205
MEMPHIS	Trust One Bank	4733	77191	316345	4624	99365	493010	334533	47470	0	111007	456
MEMPHIS	Independent Bank	8254	52707	358030	3757	12200	427434	374188	14790	0	38456	1839
MILAN	The Bank of Milan	1192	20163	24650	936	3037	48106	34069	9597	0	4440	323
MILLINGTON	Patriot Bank	2353	9613	65984	660	5686	82976	74950	259	0	7767	482
MORRISTOWN	Union Planters Bank of the Lakeway Area	33166	26142	71252	1765	6539	135334	117019	2279	0	16036	632
MOSCOW	The Bank of Fayette County	2841	7725	76857	887	3539	90075	75881	6763	0	7431	503
MOUNT JULIET	Bank of the South	6686	51528	173654	1997	14268	244139	216567	4751	0	22821	626
MOUNTAIN CITY	Farmers State Bank	4710	53532	57576	748	2828	117898	95399	6037	0	16462	787
MOUNTAIN CITY	Johnson County Bank	2542	15430	66654	1152	5355	88829	69509	10048	0	9272	489
MURFREESBORO	Cavalry Banking	29998	37442	417382	4600	36841	517063	461549	6746	0	48768	2184
MURFREESBORO	MidSouth Bank	3978	28461	17941	224	5213	55369	29309	131	0	25929	-1554
NASHVILLE	Citizens Savings Bank and Trust Company	2190	10233	39023	548	1085	51983	46817	446	0	4720	184
NASHVILLE	Insurors Bank of Tennessee	2286	13567	46316	596	1514	63087	49117	8585	0	5385	232
NASHVILLE	PrimeTrust Bank	3794	42307	193748	2422	11159	248586	220187	7869	0	20530	306
NASHVILLE	The Bank of Nashville	7812	74877	481492	7626	75254	631809	385777	138811	0	107221	2169
NASHVILLE	Capital Bank & Trust Company	4755	60180	227705	3130	15368	304878	253743	29988	0	21147	1309
NEW TAZEVELL	Citizens Bank	3725	29192	82103	1067	10744	124697	111908	1008	0	11781	-41
OAK RIDGE	TNBANK	1341	17511	95587	1229	5937	119147	100928	9536	0	8683	471
OAKLAND	Oakland Deposit Bank	5143	15945	54701	922	8771	83638	75953	1358	0	6326	226
ONEIDA	First Trust and Savings Bank	6192	27540	66157	1082	4195	103002	93079	2329	0	7594	754
OOLTEWAH	Community Trust & Banking Company	3399	6194	45172	558	4268	58475	46134	4955	0	7386	174
PARIS	Commercial Bank & Trust Company	9641	98270	301279	5402	25385	429173	384883	7539	0	36751	3108
PARIS	Security Bank and Trust Company	7080	23179	93148	634	6854	129627	116840	948	0	11839	949
PARSONS	Farmers Bank	2167	12124	21384	289	2143	37529	33603	472	0	3454	150
PARSONS	Community South Bank	6838	56686	177187	3347	20208	257572	184853	46581	0	26138	939
PIGEON FORGE	Tennessee State Bank	15923	94090	317418	4333	33504	456602	359548	62752	0	34302	3232
PORTLAND	The Farmers Bank	10496	110038	193723	2500	12813	324570	266940	29122	0	28508	1737
PORTLAND	Volunteer State Bank	7319	34320	120092	1380	12361	172712	153291	3042	0	16379	1211
RIPLEY	Bank of Ripley	4779	77131	73392	1303	8498	162497	124649	14828	0	23020	768
ROGERSVILLE	The Citizens Bank of East Tennessee	2686	22798	74238	878	7674	106518	93362	4840	0	8316	425
ROGERSVILLE	First Community Bank of East Tennessee	4250	21799	157073	1733	13973	195362	158063	21979	0	15320	1140
RUTLEDGE	Citizens Bank & Trust Co. of Grainger County	4120	77092	58646	1758	7896	145996	120271	672	0	25053	892
SARDIS	The Peoples Bank	1669	15326	19428	493	1159	37089	31925	586	0	4578	171
SAVANNAH	The Hardin County Bank	5282	70174	117305	1163	17973	209571	175842	15327	0	18402	1220
SAVANNAH	Central Bank	2940	24389	50899	749	3817	81296	68152	3009	0	10135	413
SELMER	Home Banking Company	1664	13917	36554	540	4221	55816	51328	307	0	4181	236
SEVIERVILLE	Sevier County Bank	17304	123162	151085	2652	8310	297209	259781	624	0	36804	1383
SHELBYVILLE	First Community Bank of Bedford County	7058	51919	132561	2107	13035	202466	166680	13674	0	22112	1335
SHELBYVILLE	Peoples Bank of Bedford County	2873	10438	32398	555	2034	47188	42312	163	0	4713	311
SMITHVILLE	DeKalb Community Bank	1907	18487	83869	1525	3709	106447	96602	2624	0	7221	4

City	Institution	(A) Cash	(B) Invest- ments	(C) Total Loans	(D) Loan Loss Reserve	(E) Other Assets	Total Assets	(F) Deposits	(G) Other Liabilities	(H) Minority Interest in Consol- idated Subsidiary	(I) Capital	(J) Net Income
SOMERVILLE	The Somerville Bank & Trust Company	7800	43869	119331	2571	10147	178576	157914	1138	0	19524	984
SPENCER	Citizens Bank of Spencer	1163	15927	14805	590	1092	32397	28013	205	0	4179	127
SPRING CITY	First Bank of Tennessee	6294	10129	116693	1115	7537	139538	121663	5955	0	11920	1184
TAZEWELL	First Century Bank	13563	99779	150246	2306	18715	279997	255033	852	0	24112	1471
TOONE	Merchants & Planters Bank	4938	33202	51558	2251	8535	95982	86067	2485	0	7430	180
TRENTON	Citizens City & County Bank	783	4365	18963	305	2161	25967	23716	164	0	2087	80
TRENTON	Peoples State Bank of Commerce	4959	14817	53318	667	10195	82622	70194	2097	0	10331	370
TREZEVANT	Farmer's and Merchants Bank	2665	3040	76663	1394	9003	89977	78455	4150	0	7372	409
TULLAHOMA	American City Bank of Tullahoma	3222	32624	90331	682	17905	143400	119748	1587	0	22065	-60
UNION CITY	First State Bank	16079	125114	495705	5513	38353	669738	571808	43479	100	54351	2487
UNION CITY	Reelfoot Bank	9344	12302	103010	1375	13477	136758	122285	1948	0	12525	-108
WARTBURG	Citizens First Bank	2645	8890	61565	611	3838	76327	63666	6693	0	5968	315
WAYNESBORO	Wayne County Bank	7210	21529	112229	5105	11450	147313	124288	3219	0	19806	1156
WAYNESBORO	The Bank of Waynesboro	6182	13067	69857	1644	6249	93711	76719	7151	0	9841	580
WINCHESTER	Citizens Community Bank	4699	25277	70714	1170	6536	106056	92387	1892	0	11777	1052
WOODLAND MILLS	The Farmers Bank	839	6605	5973	107	198	13508	11431	34	0	2043	43
TOTALS		977074	6005470	18485493	271474	1643720	26840283	22271346	1763418	348	2805170	133524

FOOTNOTES:

(A) Cash - Includes currency/coin, both interest-bearing and non-interest bearing balances due from depository institutions

(B) Investments - Investments owned: Includes securities, federal funds sold and securities purchased under agreements to resell

(C) Total Loans - Includes all loans and lease financing receivables, net of unearned income

(D) Loan Loss Reserve - Allowance for Loan and Lease Losses

(E) Other Assets - Includes premises and fixed assets, trading assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, customer's liability to bank on acceptances outstanding, intangible assets and assets not reportable elsewhere

(F) Total Deposits - Includes all interest bearing and non-interest bearing customer deposits held

(G) Other Liabilities - Includes federal funds purchased, securities sold under agreements to repurchase, demand notes issued to US Treasury, other money, mortgage indebtedness, and obligations under capitalized leases, bank's liability on acceptances outstanding and all other liabilities

(H) Minority Interests in Unconsolidated Subsidiaries

(I) Equity Capital - Includes preferred stock, common stock, surplus, undivided profits and accumulated other comprehensive income

(J) Net Income - Income earned after all expenses, taxes and extraordinary items

TENNESSEE STATE-CHARTERED TRUST COMPANIES
Consolidated Statement of Condition
(To Nearest Thousand)

ASSETS	June 30, 2004	June 30, 2003	\$ Change	% Change
Cash and Due from Banks	4,799	5,399	-600	-11.1
Securities and Investments	2,716	2,949	-233	-7.9
Premises and Fixed Assets	1,873	3,568	-1,695	-47.5
Other Assets	39,834	37,848	1,986	5.2
TOTAL ASSETS	49,222	49,764	-542	-1.1
LIABILITIES				
Other Liabilities	8,506	9,004	-498	-5.5
TOTAL LIABILITIES	8,506	9,004	-498	-5.5
Unrestricted Assets	293	282	11	3.9
Temporarily Restricted Assets	17	61	-44	-72.1
Permanently Restricted Assets	8	8	0	0.0
EQUITY CAPITAL				
Common Stock	4,630	5,428	-798	-14.7
Less: Treasury Stock	-167	-211	44	-20.9
Surplus	36,062	32,952	3,110	9.4
Undivided Profits	-133	2,269	-2,402	-105.9
Deferred Compensation	0	-17	17	-100.0
Unrealized Gains and (Losses)	6	-12	18	-150.0
TOTAL EQUITY CAPITAL	40,398	40,409	-11	0.0
TOTAL LIABILITIES AND EQUITY CAPITAL	49,222	49,764	-542	-1.1

TENNESSEE STATE-CHARTERED TRUST COMPANIES
Consolidated Income Statement
(To Nearest Thousand)

	June 30, 2004	June 30, 2003	\$ Change	% Change
Fee Income	30,846	24,999	5,847	23.4
NET FEE INCOME	30,846	24,999	5,847	23.4
Other Income	335	559	-224	-40.1
TOTAL INCOME	31,181	25,558	5,623	22.0
Operating Expenses	24,641	27,474	-2,833	-10.3
Advisor/Consulting Fees	3,450	7,445	-3,995	-53.7
Inter-Company Expense (Credit)	0	0	0	0.0
Securities (Gains) and Losses	2	1	1	0.0
TOTAL OPERATING EXPENSES	28,093	34,920	-6,827	-19.6
Pre-Tax Net Operating Income	3,088	-9,362	12,450	132.9
Applicable Income Taxes	541	-3,919	4,460	113.8
Non-Operating Expenses	841	163	678	416.0
NET OPERATING INCOME	1,706	-5,606	7,312	130.3
Extraordinary Gains/Losses	0	0	0	0.0
NET INCOME	1,706	-5,606	7,312	130.3
TOTAL DIVIDENDS AND/OR DISTRIBUTIONS	736	761	-25	-3.3

TENNESSEE-CHARTERED TRUST COMPANIES
Statement of Condition June 30, 2004
(To Nearest Thousand)

COMPANY	CITY	A Cash	B Invest- ments	C Other Assets	D Total Assets	E Other Liabilities	F Equity Capital	G Net Income	H TAUM	I Common/ Collective Funds	J Number of Funds
Meridian Trust and Investment Company	Knoxville	232	238	425	895	18	877	38	238,629		
The Trust Company of Knoxville	Knoxville	675	572	431	1,678	175	1,503	340	753,415	34,838	5
Diversified Trust Company	Memphis	29	0	2,604	2,633	1,629	1,003	286	1,852,601	622,462	12
First Mercantile Trust Company	Memphis	2,533	0	37,351	39,884	6,313	33,570	754	3,280,021	2,878,132	191
Investment Counsel and Trust Company	Memphis	251	472	177	900	117	783	100	220,391		
Cumberland Trust and Investment Company	Nashville	495	0	435	930	41	889	-306	106,339		
Equitable Trust Company	Nashville	573	1,323	79	1,975	202	1,773	512	882,557		
Guardianship and Trusts Corporation (K, L)	Nashville	11	111	205	327	11	318(M)	-18	11,325		
Total		4,799	2,716	41,707	49,222	8,506	40,398	1,706	7,345,278		

FOOTNOTE:

(A) Cash - Includes currency and coin as well as both interest bearing and non-interest bearing balances due from depository institutions

(B) Investments - Investments owned

(C) Other Assets - Includes premises and fixed assets, investments in unconsolidated subsidiaries, intangible assets and all other assets

(D) Total Assets - The sum of (A) through (C)

(E) Other Liabilities - Includes all liabilities

(F) Equity Capital - Includes preferred stock, common stock, debt capital, surplus, undivided profits and all other capital reserves net of any unrealized holding gains (losses) on available for sale securities

(G) Net Income - Income earned after all expenses, taxes and extraordinary items

(H) Total Assets Under Management - Total discretionary and non-discretionary Assets Under Management inclusive of funds held in common/collective funds

(I) Common/Collective Funds - Assets held in common and/or collective investment funds trustee by company at market value

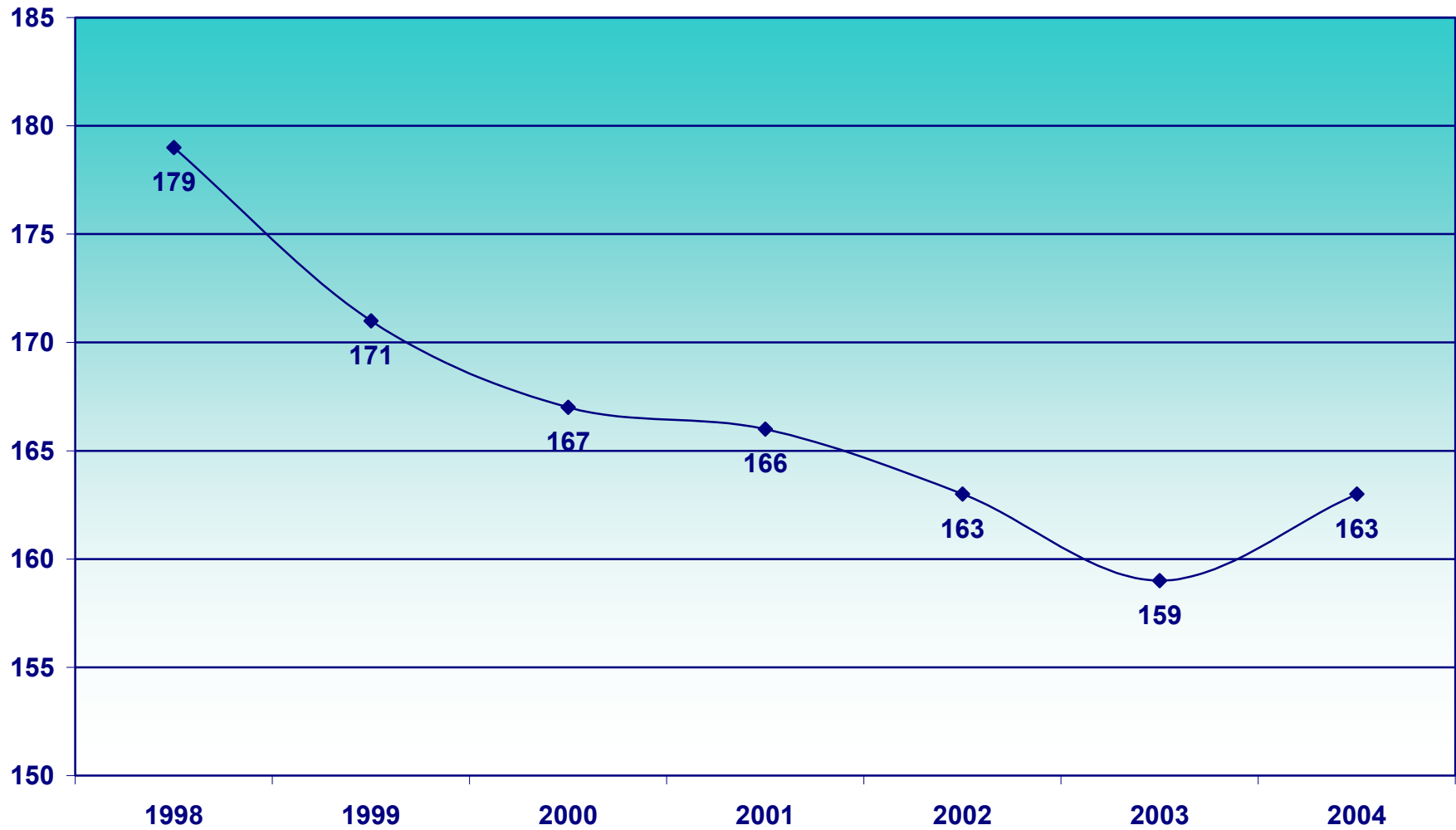
(J) Number of Funds - Number of common/collective funds

(K) Not-for-profit trust company

(L) Operates on a fiscal year ending June 30

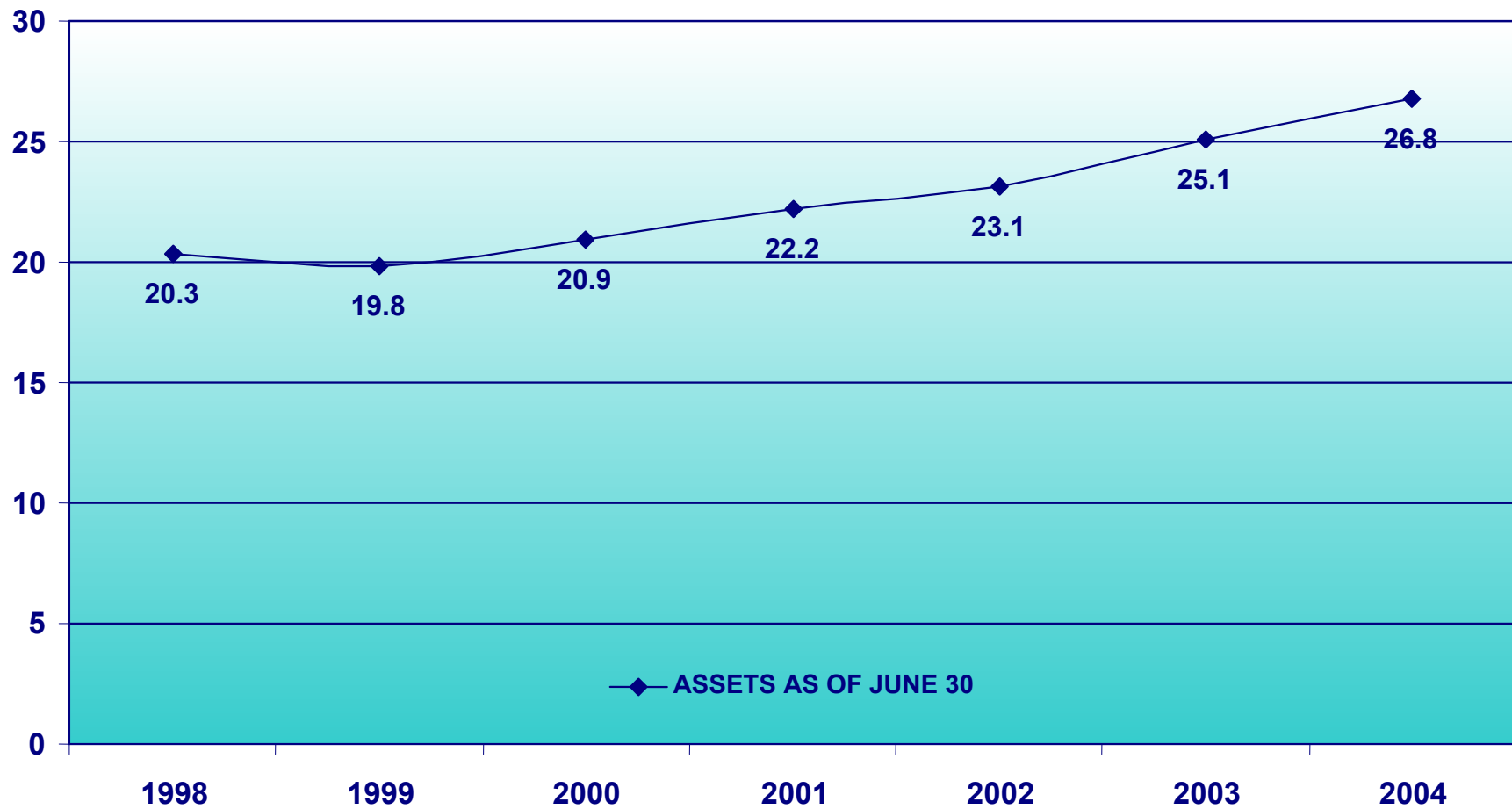
(M) Net assets

NUMBER OF STATE-CHARTERED BANKS IN TENNESSEE
(As of June 30)



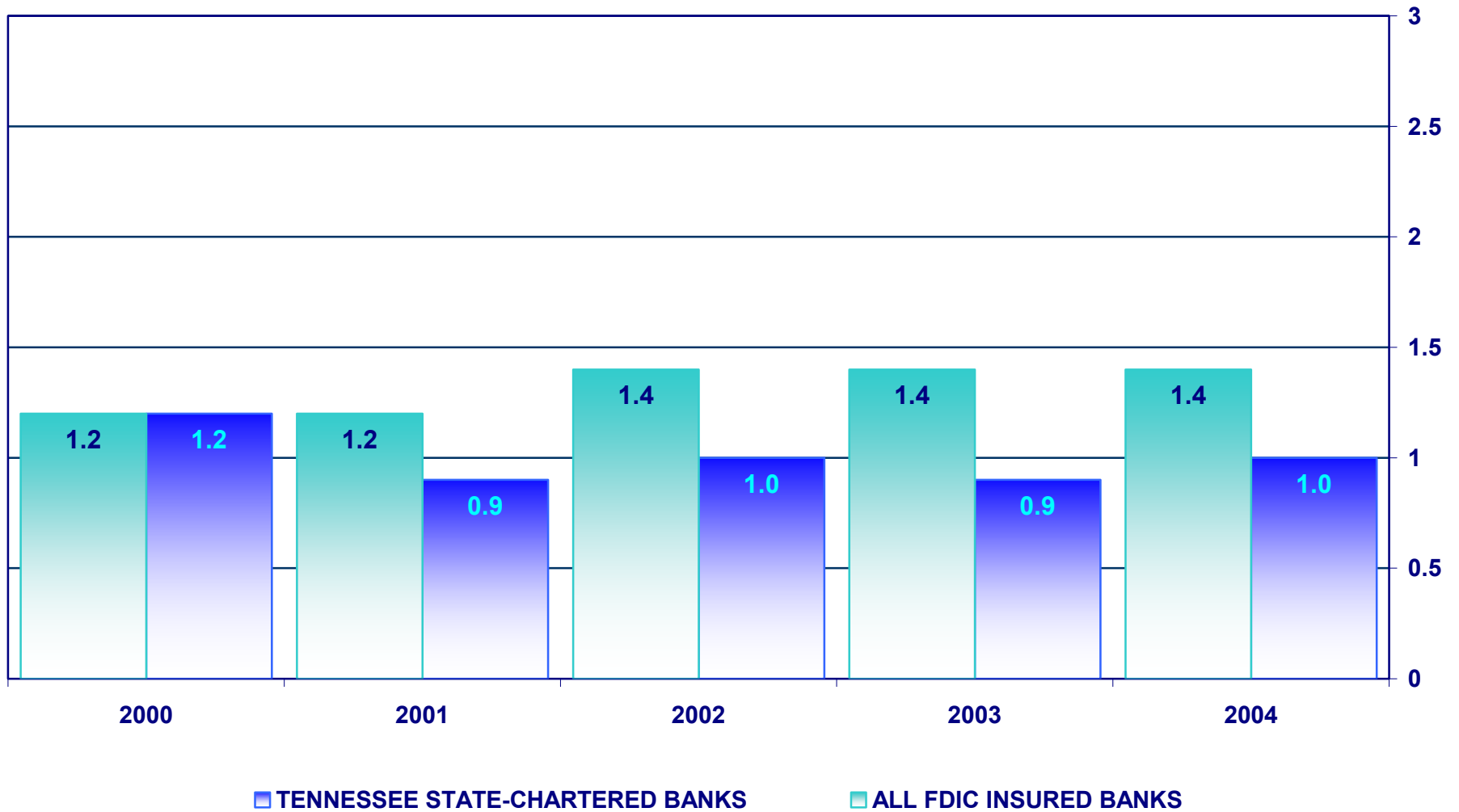
ASSETS OF STATE-CHARTERED BANKS IN TENNESSEE

(In Billions)

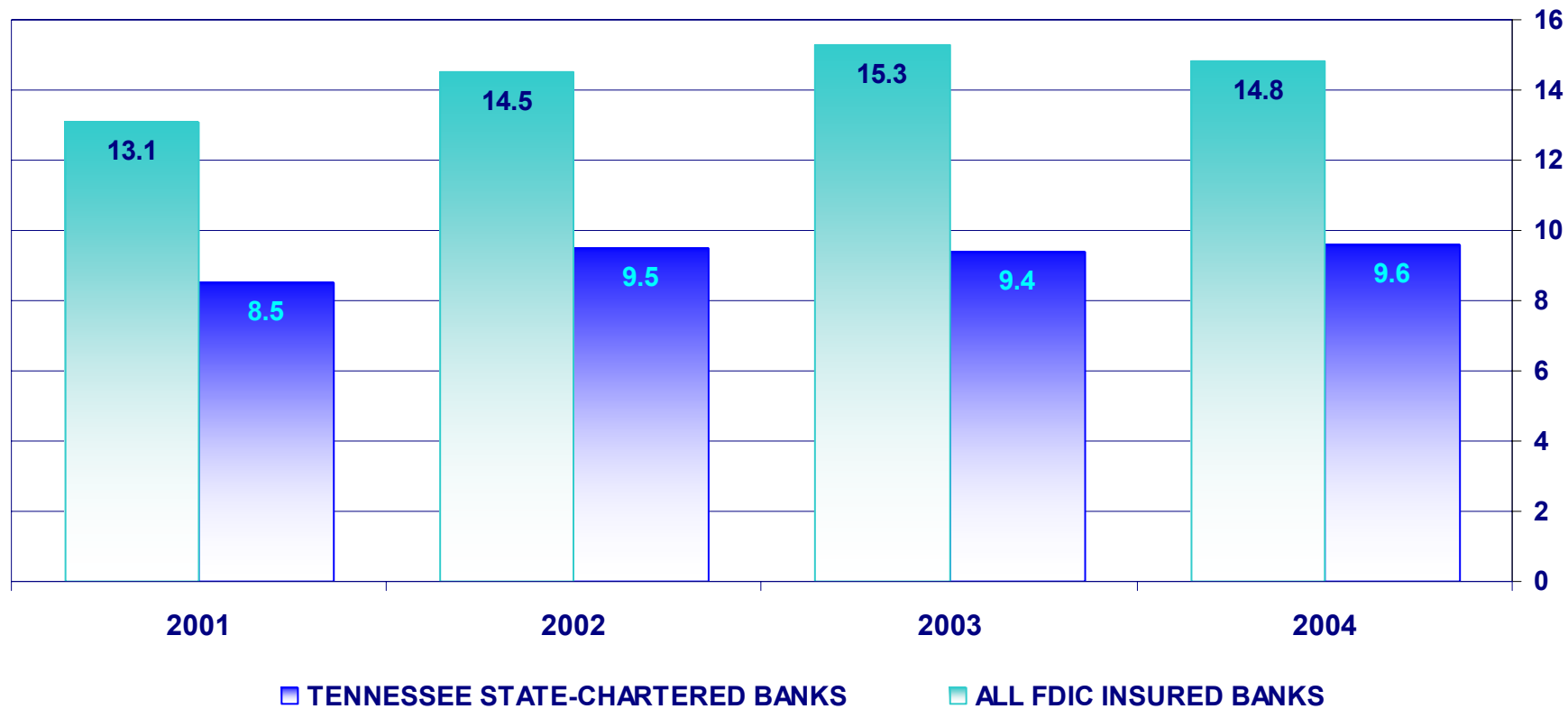


RETURN ON ASSETS

(As of June 30)



RETURN ON EQUITY
(As of June 30, 2004)



COMPLIANCE DIVISION

OVERVIEW

The **Compliance Division** is responsible for the licensing and regulatory supervision of the following types of financial institutions operating in Tennessee:

- Industrial Loan & Thrift Companies
- Insurance Premium Finance Companies
- Residential Mortgage Lenders, Brokers and Servicers
- Check Cashing
- Deferred Presentment Service Companies
- Money Transmitters

With the development of a comprehensive examination program, all of the above industries are subject to periodic examinations by the Division's field examiners. The Compliance Division's examinations are designed to test and enforce compliance with Tennessee laws, as well as Federal regulations. These laws were written in order to protect the consumer by limiting the amount of interest, loan charges and insurance charges that can be assessed to them.

The field examiners also investigate consumer complaints and allegations of consumer fraud and usury. The Division's staff is also responsible for investigating consumer complaints involving title pledge lenders and reports of inadequate or inaccurate disclosures given to consumers by these title pledge lenders.

INDUSTRIAL LOAN AND THRIFT COMPANIES

Consumer loan companies operate under The Industrial Loan and Thrift Companies Act, codified as T.C.A. Title 45, Chapter 5. The stated purpose of the Act is to allow citizens to have the services of regulated lending institutions at rates and charges reasonably commensurate with economic realities. This Act authorizes those companies that obtain a certificate of registration to charge rates and fees somewhat higher than what may be charged under the State's General Usury statutes. While the Act allows higher interest rates, it also contains many consumer protection provisions particularly with respect to loan charges. Since 2001, legislation was enacted that requires companies licensed under this Act to secure bonding. The bonding requirements are as follows: If the applicant proposes to make loans secured by a mortgage, the surety bond or letter of credit shall be in the amount of \$200,000. For all other applicants, the bond or letter of credit shall be in the amount of \$50,000. Only one bond or letter of credit is required for any registrant, irrespective of the number of employees or offices of such registrant.

Registration

To obtain a certificate of registration, an applicant must maintain a net worth of at least \$25,000 and demonstrate sufficient character to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. As of June 30, 2004, there were 701 locations licensed under the Act.

Examinations

For fiscal year ending June 30, 2004, the Department conducted 704 examinations that resulted in refunds of \$961,924.80 to 28,420 consumers of the state. Special examinations are frequently conducted as a result of complaints filed with the Department's Consumer Resources Division.

INSURANCE PREMIUM FINANCE COMPANIES

The activities of Premium Finance Companies are governed by the "Premium Finance Company Act of 1980", codified as T.C.A. Title 56, Chapter 37. "Premium Finance Company" means a person engaged in the business of entering into premium finance agreements or acquiring premium finance agreements from other premium finance companies. "Premium finance agreement" means an agreement by which an insured, or prospective insured, promises to pay to a premium finance company the amount advanced, or to be advanced under the agreement to an insurer or to an insurance agent or producing agent in payment of premiums of an insurance contract, together with interest and a service charge as authorized and limited by this Chapter.

Registration

To obtain a license, an applicant must, pursuant to T.C.A. § 56-37-104(b), be competent and trustworthy, act in good faith, have a good business reputation, experience, training or education in this business. Furthermore, if the applicant is a foreign or domestic corporation, LLC, or limited partnership, it must be authorized to conduct business in this state. As of June 30, 2004, there were 64 companies licensed under the Act.

Examinations

The Department conducted 12 examinations during July, 2003 – June, 2004, representing 18 percent of the licensed offices located in Tennessee.

RESIDENTIAL MORTGAGE LENDERS, BROKERS AND SERVICERS

The activities of Residential Mortgage Lending, Brokering, and Servicing companies are governed by the "Tennessee Residential Lending, Brokerage and Servicing Act of 1988", codified as T.C.A. Title 45, Chapter 13. T.C.A. § 45-13-103(a) expands this further by stating "no person shall act as a mortgage lender, mortgage loan broker, mortgage loan servicer, or mortgage loan originator in this state without first complying with the applicable licensing or registration requirements under this chapter." Certain companies may be exempt under criteria explained in T.C.A. § 45-13-103. If the applicant proposes to make or service mortgage loans, the surety bond or irrevocable letter of credit shall be in the amount of \$200,000. For all applicants whose activities are limited to the brokering of mortgage loans, the surety bond or irrevocable letter of credit shall be in

the amount of \$90,000. Only one bond or letter of credit is required for any licensee, irrespective of the number of employees or offices of such licensee.

Registration

To obtain a certificate of registration, an applicant must maintain a net worth of at least \$25,000 and demonstrate sufficient character to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. As of June 30, 2004, there were 1,362 companies licensed under the Act.

Examinations

For fiscal year ending June 30, 2004, the Compliance Division conducted 120 examinations of the mortgage licensees that resulted in refunds of \$93,670.61 to 593 consumers. Special examinations are also conducted as a result of consumer complaints forwarded from the Department's Consumer Resources Division.

CHECK CASHING COMPANIES

The activities of Check Cashing Companies are governed by "The Check Cashing Act of 1997" codified as Tennessee Code Annotated (T.C.A.) Title 45, Chapter 18. Retailers who cash checks incidental to their retail operations are exempt from the Act if their compensation for cashing checks does not exceed five percent of their gross receipts. See T.C.A. § 45-18-103(5).

Licensing

To obtain a check cashing license, an applicant must maintain a minimum net worth of \$25,000 per location and demonstrate sufficient character and experience to command confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. As of June 30, 2004, there were 435 licensed check casher locations in Tennessee.

Examinations

Examinations of licensed check cashers are conducted pursuant to T.C.A. § 45-18-113. For the fiscal year ending June 30, 2004, the Compliance Division of the Department performed 335 check cashing examinations resulting in refunds of \$787.19 to 22 customers.

DEFERRED PRESENTMENT SERVICE COMPANIES

The activities of the Deferred Presentment Services Companies are governed by "The Deferred Presentment Services Act " codified as Tennessee Code Annotated (T.C.A.) Title 45, Chapter 17.

Licensing

To obtain a deferred presentment services license, an applicant must maintain a minimum net worth of \$25,000 per location and demonstrate sufficient character and experience to command confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. Last year the Department approved 188 deferred presentment services license applications, and because companies must obtain a license for each location from which such business is conducted, there were 1,297 licenses as of June 30, 2004.

Examinations

For fiscal year ending June 30, 2004, the Department's Compliance Division conducted 1,237 examinations of deferred presentment offices. Typically, the Department's compliance examiners review a random sample of the licensee's transactions by looking at the fees charged and the disclosures given to the customers. As a result, licensees made total refunds of \$211,488.19 to 3,455 customers for charging excessive or unauthorized fees pursuant to T.C.A. § 45-17-115.

Annual Report Information

By September 1st of each year, licensees are required by T.C.A. § 45-17-119 to file with the Commissioner of Financial Institutions an Annual Report covering the licensee's business activities as of the close of business on June 30. These reports include a balance sheet, statement of income and expense, as well as other statistical data consistent with generally accepted accounting principles. Below is a recapitulation of the 2004 annual reports for the purpose of reflecting the general results of the operations for the year ending June 30, 2004.

Annual Report Information for Fiscal Year Ending June 30, 2004

The following tabulation represents aggregate information from reports filed by 468 companies having 829 branch offices. The Department did not require an annual report from companies that opened after June, 2004.

Total Assets	\$150,057,040
Total Liabilities	\$ 40,519,637
Net Worth	\$109,537,403

Total assets of the average sized company operating in Tennessee for 2004 was \$320,635. Fifty-six companies reported assets greater than \$500,000; 180 companies had assets of between \$100,000 and \$500,000; and the remaining 232 showed total assets of less than \$100,000. As with many of the small companies, funding for the business is supplied principally by the owners with total assets being comprised of 27 percent liabilities and 73 percent owner equity.

Statement of Income and Expenses

The following information was compiled from the statements of income and expenses for the period of July 1, 2003 to June 30, 2004.

Total Operating Income	\$138,761,300
Salary Expense	\$ 36,364,471
Bad Debt Expense	\$ 10,879,449
Net Income (After Tax)	\$ 17,840,022

Of the 468 reporting companies, 105 reported operating losses and 40 reported net income of over \$100,000 for the period ending June 30, 2004. The average company made a profit of \$38,120.

Salaries are a major company expense, amounting to about 26 percent of total operating income. The average salary expense for each company was \$77,702.

Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 7.8 percent of total operating income.

Effective July 1, 2001, T.C.A. § 45-17-112(i) of the Deferred Presentment Services Act allows licensees to assess a handling charge not to exceed \$20 if a check is returned from a payer financial institution due to insufficient funds, stop payment order or closed account. From the 2004 annual reports, 53 percent or 249 companies collected total handling charges of \$459,547 for fiscal year ending June 30, 2004.

As of June 30, 2004, the industry made a return on assets of 11.9 percent based on total assets and a return on equity of 16.3 percent.

Transactional Data

The following transactional data was reported for the reporting period ending June 30, 2004:

Number of receivable transactions	3,950,926
Dollar amount of transactions during the year	\$ 810,077,527
Average size of receivable transactions	205
Number of transactions by size of check:	
\$1 - \$150:	543,878
\$151 - \$250:	3,091,416
\$251 - \$500:	315,632

MONEY TRANSMITTERS

The activities of Money Transmitter companies are governed by "The Tennessee Money Transmitter Act of 1994", codified as T.C.A. Title 45, Chapter 7. There are exemptions that apply to certain government agencies, as well as business organizations. See T.C.A. § 45-7-204.

Licensing

Each applicant for a license must demonstrate, and each licensee must maintain, a net worth of not less than \$100,000 computed according to generally accepted accounting principles. Persons transmitting, or proposing to transmit, money shall have an additional net worth of \$25,000 per additional location or agent located in Tennessee, as applicable, to a maximum of \$500,000. The applicant must demonstrate such experience, character, and general fitness as to command the confidence of the public and warrant the belief that the business will be operated lawfully and fairly. As of June 30, 2004, there were 42 licensed money transmitters.

Examinations

Examinations of money transmitters are conducted pursuant to T.C.A. § 45-7-214. The Commissioner may accept, in lieu of an on-site examination, the examination report of an agency of another state, or a report prepared by an independent accounting firm, and reports so accepted are considered, for all purposes, as an official report of the Commissioner.

INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report (Year Ending December 31, 2003)

Number of Offices Included in this Report	642
Number of Employees in State at Year-End	2,391

REGULATED ENTITIES PROFIT PERCENTAGE

RATE OF RETURN

Average Net Receivable	\$1,360,035,811.16
Net Income	\$11,012,474.62
Rate of Return	0.81%

ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$304,792,178.46
Average Monthly Rate Collected	1.87%

ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	374,856
Total Expenses	\$334,187,640
Average Monthly Expense Per Account	\$74.29

STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$346,776,698
Total Expenses Before Income Taxes	\$334,187,640
Income Before Taxes	\$12,589,058

OTHER INFORMATION

Number of Loans Made During the Year	1,108,680
Dollar Volume of Loans Made During the Year	\$1,478,578,681
Bad Debts- Dollar Amount	\$78,552,192
Bad Debts- Number of Accounts	59,076

INDUSTRIAL LOAN AND THRIFT COMPANIES

Loans More Than \$300
(Year Ending December 31, 2003)

Number of Offices Included in this Report	136
Number of Employees in State at Year-End	780

REGULATED ENTITIES PROFIT PERCENTAGE

RATE OF RETURN

Average Net Receivable	\$849,615,947
Net Income	\$1,012,982
Rate of Return	0.12%

ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$119,605,144
Average Monthly Rate Collected	1.17%

ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	95,367
Total Expenses	\$131,503,907
Average Monthly Expense per Account	\$114.91

STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$134,838,538
Total Expenses before Income Taxes	\$131,503,907
Income before Taxes	\$3,334,631

OTHER INFORMATION

Number of Loans Made During the Year	880,681
Dollar Volume of Loans Made During the Year	1,423,201,865
Bad Debts- Dollar Amount	30,885,373
Bad Debts- Number of Accounts	7,165

INDUSTRIAL LOAN AND THRIFT COMPANIES

Loans Less Than \$300
(Year Ending December 31, 2003)

Number of Offices Included in this Report	506
Number of Employees in State at Year-End	1,611

REGULATED ENTITIES PROFIT PERCENTAGE

RATE OF RETURN

Average Net Receivable	\$510,419,864
Net Income	\$9,999,493
Rate of Return	1.96%

ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$185,187,034
Average Monthly Rate Collected	3.02%

ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	279,489
Total Expenses	\$202,683,732
Average Monthly Expense Per Account	\$60.43

STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$211,938,160
Total Expenses Before Income Taxes	\$202,683,732
Income Before Taxes	\$9,254,427

OTHER INFORMATION

Number of Loans Made During the Year	227,999
Dollar Volume of Loans Made During the Year	\$55,376,816
Bad Debts- Dollar Amount	\$47,666,819
Bad Debts- Number of Accounts	\$51,911

CONSUMER RESOURCES DIVISION

The **Consumer Resources Division** coordinates the handling of consumer complaints, fosters community outreach and encourages financial literacy in Tennessee. With the creation of this Division in March 2004, the Department of Financial Institutions is poised to develop and reinforce programs aimed at increasing the financial literacy of adults and youth statewide. The Department believes financial literacy is necessary to assist Tennessee's citizens in making better financial decisions on a daily basis which includes helping citizens avoid predatory lending practices. The Division serves as a conduit to ensure that Tennesseans have access to financial education programs that help them obtain practical knowledge needed to make informed financial choices. The Division concentrates on these main areas: basic savings, credit management and home ownership. One of the Division's roles is to assist in creating a solid foundation of financial literacy that will lead to future sound money management decisions.

A second responsibility of the Division is the handling and tracking of consumer complaints. The Department of Financial Institutions is the only State agency that has the statutory jurisdiction to handle consumer concerns and complaints involving financial institutions operating under the various laws the Department administers in the State of Tennessee. The Division processes all complaints related to financial institutions chartered and licensed by the Department. The Department forwards inquiries that do not come within its jurisdiction to the appropriate agency or entity and advises the consumer accordingly. The Division follows its routine practice of submitting the consumer's written complaint to the financial institution for response and communicating in writing to the complainant or forwarding the complaint to the appropriate entity if the Department does not have jurisdiction. If a complaint indicates that further review is necessary, the complaint is referred to the appropriate regulatory Division in the Department for investigation as warranted.

In addition, the information generated from consumer complaints will be used for specific consumer outreach initiatives. The Department believes the best means of providing consumer protection is by using consumer resource specialists and other personnel that handle consumer complaints and initiate consumer outreach under the specific jurisdiction that state law provides the Department of Financial Institutions.

**TOP TEN CONSUMER COMPLAINTS BY INDUSTRY
2004**

INDUSTRY	TOTAL	% OF TOTAL COMPLAINTS
Default ¹	264	36.52
TILT ²	45	6.22
Mortgage Companies	214	29.60
Mortgage Branches	2	0.28
Deferred Presentment	8	1.11
Title Pledge	3	.42
Premium Finance	1	.13
Money Transmitters	3	.42
Credit Unions	27	3.73
Banks	152	21.02
Business Owners	4	0.55
TOTAL:	723	100%

¹ Default category contains: phone calls, e-mails, correspondence received, complaint form mailed but completed form not returned; complainant or financial institution was not under the Department's jurisdiction and the complaint was referred to the correct regulatory authority.

² Tennessee Industrial Loan and Thrift

TOP TEN CONSUMER COMPLAINTS BY ALLEGATION

2004

Customer Service Issues ¹	129
Payment Processing-Payment History Dispute ²	80
Misrepresentation ³	72
Account Fee Issues ⁴	28
Credit Bureau Reporting Information ⁵	24
Excessive Fees ⁶	22
Fraud ⁷	22
Payoff Request ⁸	20
Failure to Release Deed or Lien ⁹	19
High Interest Rate ¹⁰	17

1 - Issues included phone calls not returned by staff at financial institution, incorrect information given, a requested transaction or service was not performed or did not occur in a timely manner, etc.

2 - Payments not made or processed in a timely manner

3 - Interest rate quotes (loan rate higher than original quote, closing date set and changed or missed, fixed rate ends up as adjustable rate, etc.)

4 - Covers fees for insufficient funds (NSF), returned checks, service charges, etc.

5 - Entity submitted inaccurate information to credit bureau

6 - Covers closing fees, loan processing fees, loan administration costs, late charges, etc.

7 - Covers fraudulent activities not under scams, forgeries, insider information, identity theft, etc.

8 - Not delivering in a timely manner or a dispute about the payoff amount shown

9 - Entity does not release the deed of trust within statutory time limit, does not release car title when paid in full, etc.

10 - Covers misrepresentation or questions about rates by deferred presentment companies, title pledge lenders, check cashers, etc.

2004 INDUSTRY COMPLAINTS BY COUNTY (ALPHABETICAL)

COUNTY	MRT	TILT	DP	CC	PF	MT	DEF ¹	BK	CU	TP	OWN	TOTAL	PERCENT
ANDERSON	3						4					7	1.0%
BEDFORD			2				2					4	0.6%
BENTON							1	1				2	0.3%
BLEDSON										1		1	0.1%
BLOUNT	2	1					2	1				6	0.8%
BRADLEY	1						2	1				4	0.6%
CAMPBELL												0	0.0%
CANNON	1						1					2	0.3%
CARROLL		1	2				1	2				6	0.8%
CARTER							1					1	0.1%
CHEATHAM	2	2										4	0.6%
CHESTER												0	0.0%
CLAIBORNE							2	1				3	0.4%
CLAY								1				1	0.1%
COCKE	2											2	0.3%
COFFEE	2	1						1				4	0.6%
CROCKETT												0	0.0%
CUMBERLAND	1						2	1	1			5	0.7%
DAVIDSON	35	9					38	17	3			102	14.1%
DECATUR												0	0.0%
DEKALB	1						1					2	0.3%
DICKSON	2						1	1				4	0.6%
DYER								1				1	0.1%
FAYETTE							2					2	0.3%
FENTRESS	2											2	0.3%
FRANKLIN	1	1						2	1			5	0.7%
GIBSON	2						3	2				7	1.0%
GILES		1					1			1		3	0.4%
GRAINGER	1							1				2	0.3%
GREENE	1	1					2					4	0.6%
GRUNDY											1	1	0.1%
HAMBLETON							2					2	0.3%
HAMILTON	20	3					10	2	1			36	5.0%
HANCOCK												0	0.0%
HARDEMAN							1	1				2	0.3%
HARDIN							1					1	0.1%
HAWKINS	1						1					2	0.3%
HAYWOOD								1				1	0.1%

[illegible]

COUNTY	MRT	TILT	DP	CC	PF	MT	DEF ¹	BK	CU	TP	OWN	TOTAL	PERCENT
SEQUATCHIE	1											1	0.1%
SEVIER	3						2	1				6	0.8%
SHELBY	49	5	2				24	13	6			99	13.7%
SMITH												0	0.0%
STEWART												0	0.0%
SULLIVAN	5	1					5	1				12	1.7%
SUMNER	1	1					8	3				13	1.8%
TIPTON							4	2				6	0.8%
TROUSDALE												0	0.0%
UNICOI	2					1						3	0.4%
UNION												0	0.0%
VAN BUREN												0	0.0%
WARREN							2	1				3	0.4%
WASHINGTON	4	2					5	1				12	1.7%
WAYNE												0	0.0%
WEAKLEY		1						2				3	0.4%
WHITE	1						1					2	0.3%
WILLIAMSON	5	1					7	2	2			17	2.4%
WILSON	3	1					2	4				10	1.4%
OUT OF STATE *	20	1	1			2	30	39	5	1	1	100	13.8%
UNKNOWN ¹							27					27	3.7%
TOTALS	216	45	8	0	1	3	264	152	27	3	4	723	100.0%

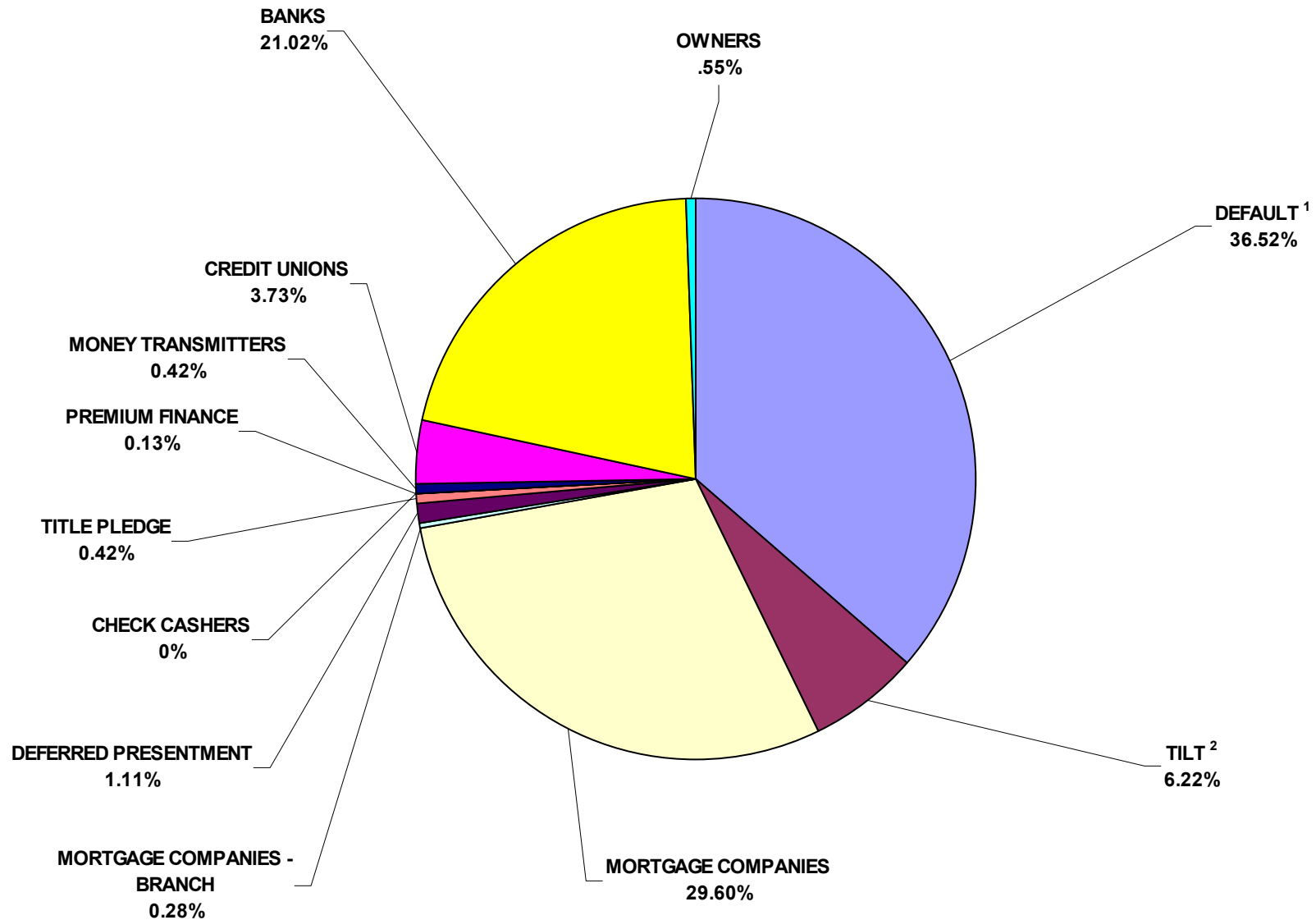
* Out of state: Complaints received from consumers living out of state who are either former residents of Tennessee or have an affiliation with an entity licensed or located in the State of Tennessee.

1 - Default/Unknown category contains: phone calls, e-mails, correspondence received, complaint form mailed but completed form not returned; complainant or financial institution was not under the Department's jurisdiction and the complaint was referred to the correct regulatory authority

KEY TO ABBREVIATIONS:

MRT – Mortgage
 TILT – Tennessee Industrial Loan and Thrift
 DP – Deferred Presentment
 CC – Check Casher
 PF – Premium Finance
 MT – Money Transmitter
 DEF – Default
 BK – Bank
 CU – Credit Union
 TP – Title Pledge
 OWN – Owners

2004 COMPLAINTS BY INDUSTRY



¹ Default category contains: phone calls, e-mails, correspondence received, complaint form mailed but completed form not returned; complainant or financial institution was not under the Department's jurisdiction and the complaint was referred to the correct regulatory authority.

² Tennessee Industrial Loan and Thrift

CREDIT UNION DIVISION

The **Credit Union Division** is responsible for the supervision and examination of each state-chartered credit union and one corporate credit union. Credit Union Examiners perform safety and soundness examinations of each state-chartered credit union and Volunteer Corporate Credit Union to determine compliance with governing laws and regulations. Credit union examiners perform evaluations of each credit union's assets, liabilities, income and expenses in order to assess the solvency of the credit union. They also perform investigations as a result of complaints filed with the Department's Consumer Resources Division.

The financial health of Tennessee's credit union industry remains strong. Collectively, the 126 natural person credit unions regulated by the Credit Union Division have assets of approximately \$5.57 billion and assets grew by 4.5 percent during the past 12 months. Capitalization remains excellent, with net worth totaling 13.04 percent of assets. Delinquency and charge-offs remain manageable and the return on assets was one percent. Individually, the institutions present a vast array of asset sizes, fields of membership and services. From the \$1.36 billion Eastman Credit Union in Kingsport to the \$48,000 Langston Bag Company Employees Savings Association in Memphis, consumers across Tennessee continue to receive valuable service from safe and sound member-owned cooperatives.

Volunteer Corporate Credit Union continues to meet the financial services needs of the State's natural person credit unions (both State and Federal). This \$1.3 billion corporate credit union serves over 200 member credit unions in Tennessee. Primary offerings include traditional correspondent services such as investments, item processing, security safekeeping, consulting services and web design.

The Credit Union Division conducts a voluntary survey at the conclusion of each examination to measure the overall efficiency and effectiveness of the examination and to determine the adequacy of communication skills. To ensure the confidentiality and the integrity of this process, data accumulation and summary reports are prepared by an independent third party. The results of the survey reveal that credit unions agree that the examination process continues to meet its goals.

The Credit Union Division remains accredited by the National Association of State Credit Union Supervisors (NASCUS). The NASCUS accreditation was recertified during 2001 (for another five-year period). Additionally, eligible Division examiners and supervisors have met the comprehensive criteria for NASCUS examination certifications. This Certification Program provides recognition to superior State credit union examiners and encourages continued professional development through the certification's required continuing education hours.

In summary, our state-chartered credit unions are healthy. They are solid and well operated financial institutions that are insured by the NCUSIF. Tennessee credit union performance for the coming year should remain satisfactory.

NEW CHARTERS AND CORPORATE REORGANIZATIONS

MERGERS

<u>DATE OF MERGER</u>	<u>NAME OF INSTITUTION</u>
7-22-2003	Flame Credit Union in Nashville, Tennessee merged into Blue Flame Credit Union (parent company) in Charlotte, North Carolina.
10-1-2003	Volunteer Federal Credit Union (Federal) in Knoxville, Tennessee merged into New South Credit Union in Knoxville, Tennessee.
10-1-2003	Johnson City Federal Employees Credit Union (Federal) in Johnson City, Tennessee merged into Greater Eastern Credit Union in Johnson City, Tennessee.
11-1-2003	Sullivan County Employees Credit Union in Blountville, Tennessee merged into Eastman Credit Union in Kingsport, Tennessee.
11-3-2003	Kaydon 6-G Federal Credit Union (Federal) in Greeneville, Tennessee merged into Hurd Employees Credit Union in Greeneville, Tennessee.
11-23-2003	Averitt Employees Credit Union in Cookeville, Tennessee merged into Southeast Financial Credit Union in Nashville, Tennessee.
11-30-2003	T M C Federal Credit Union (Federal) in Tunica, Mississippi merged into American Savings Credit Union in Memphis, Tennessee.
1-2-2004	Metro Employees Credit Union in Nashville, Tennessee merged into US Courthouse Credit Union in Nashville, Tennessee.
1-2-2004	ICG Federal Credit Union (Federal) in Jackson, Tennessee merged into Postal Employees Credit Union of Jackson in Jackson, Tennessee.
4-1-2004	Tecumseh Federal Credit Union (Federal) in Henry, Tennessee merged into Holley Credit Union in Paris, Tennessee.
4-1-2004	Jefferson County Educators Credit Union in Dandridge, Tennessee merged into Consumer Credit Union in Greeneville, Tennessee.

NAME CHANGES

DATE OF CHANGE

NAME OF INSTITUTION

7-1-2003	Madison County Industrial Park Credit Association Credit Union in Jackson, Tennessee changed its name to Golden Circle Credit Union.
1-1-2004	Fulton Credit Union in Knoxville, Tennessee changed its name to First Choice Community Credit Union.
4-1-2004	McKee Baking Company Employees Credit Union in Collegedale, Tennessee changed its name to McKee Credit Union.
4-27-2004	Tennessee Teachers Credit Union in Nashville, Tennessee changed its name to The Tennessee Credit Union.

CHARTER CONVERSIONS

DATE OF CHANGE

NAME OF INSTITUTION

9-9-2003	Knoxville TVA Employees Credit Union in Knoxville, Tennessee changed its name to Golden Circle Credit Union and converted from a multi-occupational/associational field of membership to a community-based field of membership.
2-6-2004	Dyersburg Credit Union in Dyersburg, Tennessee converted from a multi-occupational/associational field of membership to a community-based field of membership.
2-18-2004	First South Credit Union in Bartlett, Tennessee converted from a multi-occupational/associational field of membership to a community-based field of membership.
4-5-2004	Knoxville Post Office Credit Union in Knoxville, Tennessee converted from a multi-occupational/associational field of membership to a community-based field of membership.

KEY RATIOS FOR TENNESSEE STATE-CHARTERED CREDIT UNIONS

RATIO DESCRIPTION	September 2004	September 2003
Capital Adequacy:		
Net Worth/Total Assets	12.72	13.04
Total Delinquent Loans/Net Worth	2.79	2.93
Solvency Evaluation (Estimated)	115.39	115.68
Classified Assets (Estimated)/Net Worth	3.54	3.51
Asset Quality:		
Delinquent Loans/Total Loans	0.60	0.64
Net Charge-Offs/Average Loans	0.44 *	0.45 *
Fair (Market) Value/Book Value (HTM invests)	104.42	102.14
Accumulated Unreal G-L On AFS/CST of Invest AFS	0.12	-0.51
Delinquent Loans/Assets	0.35	0.38
Earnings:		
Return on Average Assets	1.09 *	0.91 *
Gross Income/Average Assets	6.26 *	6.01 *
Yield On Average Loans	7.20 *	6.60 *
Yield On Average Investments	2.62 *	2.58 *
Cost of Funds/Average Assets	1.69 *	1.40 *
Net Margin/ Average Assets	4.57 *	4.61 *
Operating Expense/Average Assets	3.33 *	3.49 *
Provision For Loan and Lease Losses/ Average Assets	0.23 *	0.27 *
Net Interest Margin/Average Assets	3.53 *	3.46 *
Operating Expenses/Gross Income	53.25	58.15
Fixed Assets Including FRAs/Total Assets	2.05	2.05
Net Operation Expenses/Average Assets	2.62 *	2.62 *
Asset/Liability Management:		
Net Long-Term Assets/Total Assets	27.16	25.28
Regular Shares/Total Shares & Borrowings	31.17	32.16
Total Loans/Total Shares	71.12	72.58
Total Loans/Total Assets	58.87	60.10
Cash and Short-Term Investments/Assets	19.86	16.63
Total Share Deposits and Borrowings/Earning Assets	90.38	90.29
Regular Shares and Share Drafts/Total Shares and Borrowings	41.09	42.43
Borrowings/Total Shares and Net Worth	3.90	3.59

KEY RATIOS FOR TENNESSEE STATE-CHARTERED CREDIT UNIONS
(Continued)

Productivity:

Members/Potential Members	19.35	13.79
Borrowers/Members	48.32	47.57
Members/ Full Time Employees	365	362
Average Shares Per Members	5,756	5,910
Average Loan Balance	8,472	9,016
Salary and Benefits/Full Time Employee	42,359 *	46,172 *

Other Ratios:

Net Worth Growth	8.77 *	7.23 *
Market (Share) Growth	9.93 *	4.55 *
Loan Growth	7.53 *	5.77 *
Asset Growth	8.58 *	4.45 *
Investment Growth	11.62 *	3.74 *

* Annualized data

TENNESSEE STATE-CHARTERED CREDIT UNIONS
Consolidated Balance Sheet

ASSETS	September 2003	September 2004	% Change
CASH:			
Cash On Hand	61,307,510	68,439,364	11.6
Cash On Deposit	461,038,243	414,081,928	-10.2
Cash Equivalents	68,879,500	62,012,101	-10.0
TOTAL CASH	591,225,253	544,533,393	-7.9
INVESTMENTS:			
Trading Securities	0	0	
Available for Sale Securities	655,487,472	671,196,851	2.4
Held-to-Maturity Securities	276,822,770	321,657,341	16.2
Deposits in Commercial Banks, S & Ls, Savings Banks	334,970,408	344,880,541	3.0
Total MCSD and PIC in Corporate	23,810,928	24,899,726	4.6
All Other Investments in Corporate Credit Unions	140,398,518	109,750,752	-21.8
All Other Investments	19,396,777	25,973,730	33.9
TOTAL INVESTMENTS	1,450,886,873	1,498,358,941	3.3
LOANS HELD FOR SALE	1,018,406	66,000	-93.5
LOANS AND LEASES:			
Unsecured Credit Card Loans	128,080,610	119,423,347	-6.8
All Other Unsecured Loans	231,577,638	245,293,263	5.9
New Auto Loans	481,658,267	516,487,059	7.2
Used Auto Loans	760,321,744	821,230,711	8.0
First Mortgage Real Estate Loans	1,132,737,390	1,195,421,883	5.5
Other Real Estate Loans	274,275,433	298,029,317	8.7
Leases Receivable	2,136,360	3,936,622	84.3
Other Member Loans	155,341,274	149,799,253	-3.6
TOTAL LOANS	3,166,128,716	3,349,621,455	5.8
ALLOWANCE FOR LOAN & LEASE LOSSES	24,192,197	25,528,956	5.5

TENNESSEE STATE-CHARTERED CREDIT UNIONS
Consolidated Balance Sheet (Continued)

Foreclosed and Repossessed Assets	1,173,213	1,016,158	-13.4
Land and Building (Net of Depreciation)	87,231,662	89,971,241	3.1
Other Fixed Assets	21,727,134	23,209,272	6.8
Share Insurance Capitalization Deposit	38,385,100	40,473,023	5.4
Other Assets	45,016,765	52,130,866	15.8
TOTAL ASSETS	5,378,600,925	5,573,851,393	3.6
TOTAL CREDIT UNIONS	131	126	-3.8

TENNESSEE STATE-CHARTERED CREDIT UNIONS
Consolidated Balance Sheet

LIABILITIES, SHARES AND EQUITY	September 2003	September 2004	% Change
LIABILITIES:			
Promissory and Other Notes Payable	200,138,762	191,647,483	-4.2
Uninsured Second Capital	100,000	100,000	0.0
Dividend and Interest Payable	3,531,210	3,219,037	-8.8
Accounts Payable and Liabilities	38,247,426	39,716,173	3.8
TOTAL LIABILITIES	242,017,398	234,682,693	-3.0
SAVINGS/DEPOSITS:			
Share Drafts	461,579,754	493,809,736	7.0
Regular Shares	1,449,962,049	1546102300.00	6.6
All Other Shares and Deposits	2,540,041,839	2575440783.00	1.39
TOTAL SAVINGS/DEPOSITS	4,451,583,642	4,615,352,819	3.68
EQUITY:			
Undivided Earnings	449,352,406	486,731,203	8.32
Regular Reserves	191,074,248	200,714,637	5.05
Appropriations for Non-Conform Investments	27,925	0	-100.00
Other Reserves	29,256,319	30,400,210	3.91
Miscellaneous Equity	20,291	3,895	-80.8
Unrealized Gains/Losses Average For Sale Securities	778,227	-3,441,631	-542.2
Net Income	14,490,469	9,356,308	-35.4
EQUITY TOTAL	684,999,885	723764622.00	5.7
TOTAL SAVINGS/EQUITY	5,136,583,527	5339117441.00	3.94
TOTAL LIABILITIES/SAVINGS/EQUITY	5,378,600,925	5,573,851,393	3.63
NATIONAL CREDIT UNION ADMINISTRATION INSURED SAVINGS:			
Uninsured Shares	412,160,071	459,870,788	11.6
Uninsured Non-Member Deposits	521,984	359,164	-31.2
Total Uninsured Shares and Deposits	412,682,055	460,229,952	11.5
Insured Shares and Deposits	4,038,901,587	4,155,122,867	2.9

TENNESSEE STATE-CHARTERED CREDIT UNIONS
Consolidated Income Statement

INCOME AND EXPENSE	September 2003		September 2004		% Change
Interest Income					
Interest on Loans	222,126,704	*	216,666,651	*	-2.5
Less Interest Refund	127,381	*	46,711	*	-63.3
Income from Investments	49,885,637	*	50,152,301	*	0.5
Income from Trading	0	*	0	*	
Total Interest Income	271,884,960	*	266,772,241	*	-1.9
Interest Expense					
Dividends	41,707,593	*	35,355,895	*	-15.2
Interest on Deposits	36,510,816	*	32,117,243	*	-12.0
Interest on Borrowed Money	9,730,160	*	9,316,436	*	-4.3
Total Interest Expense	87,948,569	*	76,789,573	*	-12.7
Provision for Loan and Lease Losses	12,068,475	*	14,621,271	*	21.2
Net Interest Income after PLLL	171,867,916	*	175,361,397	*	2.0
Non-Interest Income					
Fee Income	37,026,637	*	47,956,228	*	29.5
Other Operating Income	17,437,573	*	14,715,229	*	-15.6
Gain (Loss) on Investments	2,371,969	*	3,871,168	*	63.2
Gain (Loss) on Disposition of Assets	-41,381	*	-12,324	*	70.2
Other Non-Operating Income/Expense	1,940,729	*	-470,644	*	-124.3
Total Non-Interest Income	58,735,528	*	66,059,657	*	12.5
Non-Interest Expense					
Employee Compensation and Benefits	89,800,067	*	99,523,967	*	10.8
Travel/Conference Expense	2,680,756	*	2,680,525	*	0.0
Office Occupancy	11,488,121	*	12,868,753	*	12.0
Office Operation Expense	36,477,761	*	37,930,229	*	4.0
Education and Promotion	5,113,660	*	5,938,537	*	16.1
Loan Servicing Expense	7,399,455	*	8,261,845	*	11.7
Professional/Outside Service	13,463,033	*	15,101,663	*	12.2
Member Insurance	2,138,516	*	1,825,668	*	-14.6
Operating Fees	1,694,604	*	1,794,884	*	5.9
Miscellaneous Operating Expense	3,535,528	*	5,637,996	*	59.5

TENNESSEE STATE-CHARTERED CREDIT UNIONS
Consolidated Income Statement (Continued)

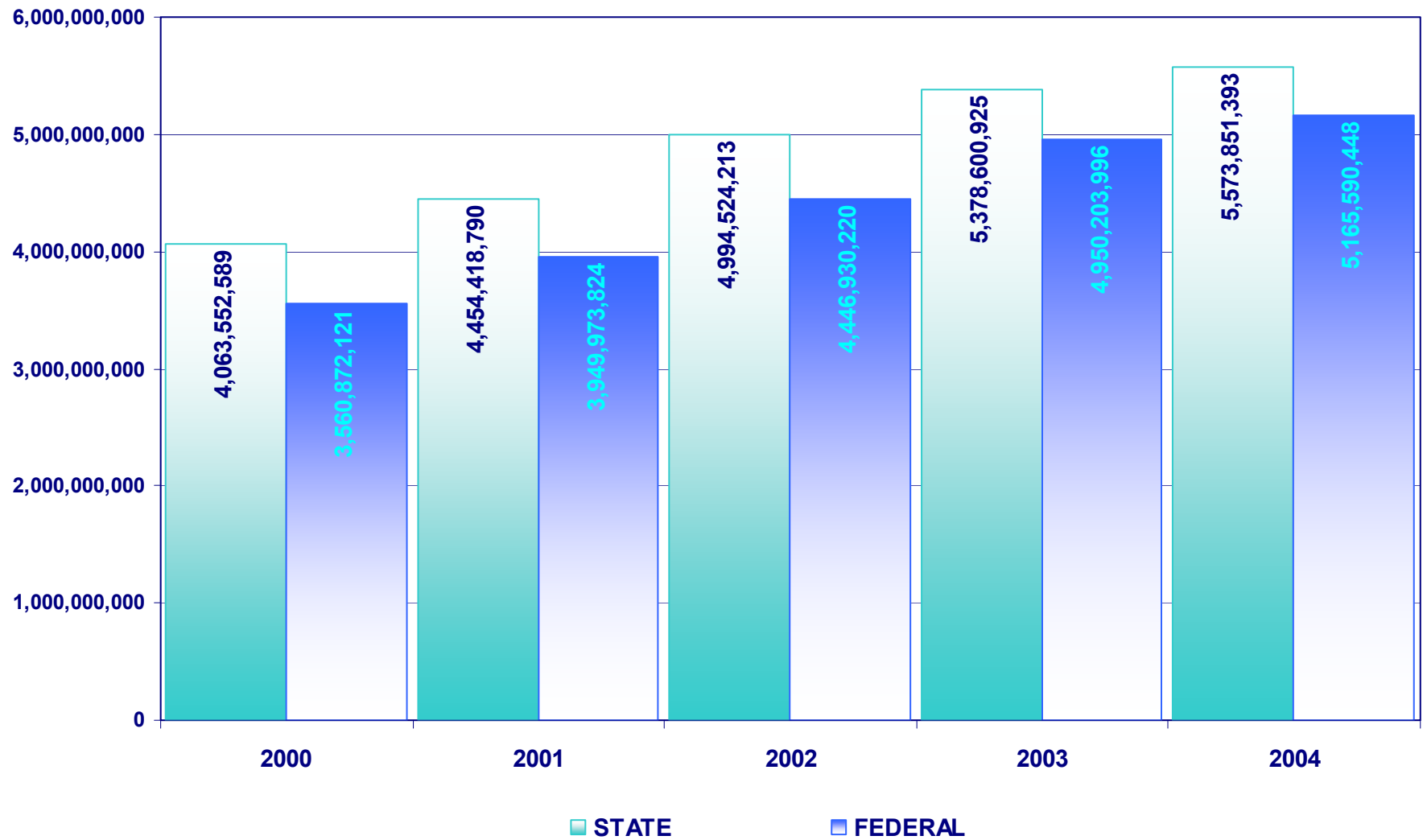
Total Non-Interest Expense	173,791,501	*	191,564,068	*	10.2
Net Income	56,811,943	*	49,856,987	*	-12.2
Reserve Transfers					
Transfer to Regular Reserve	10,204,876	*	6,475,901	*	-36.5

* Annualized data

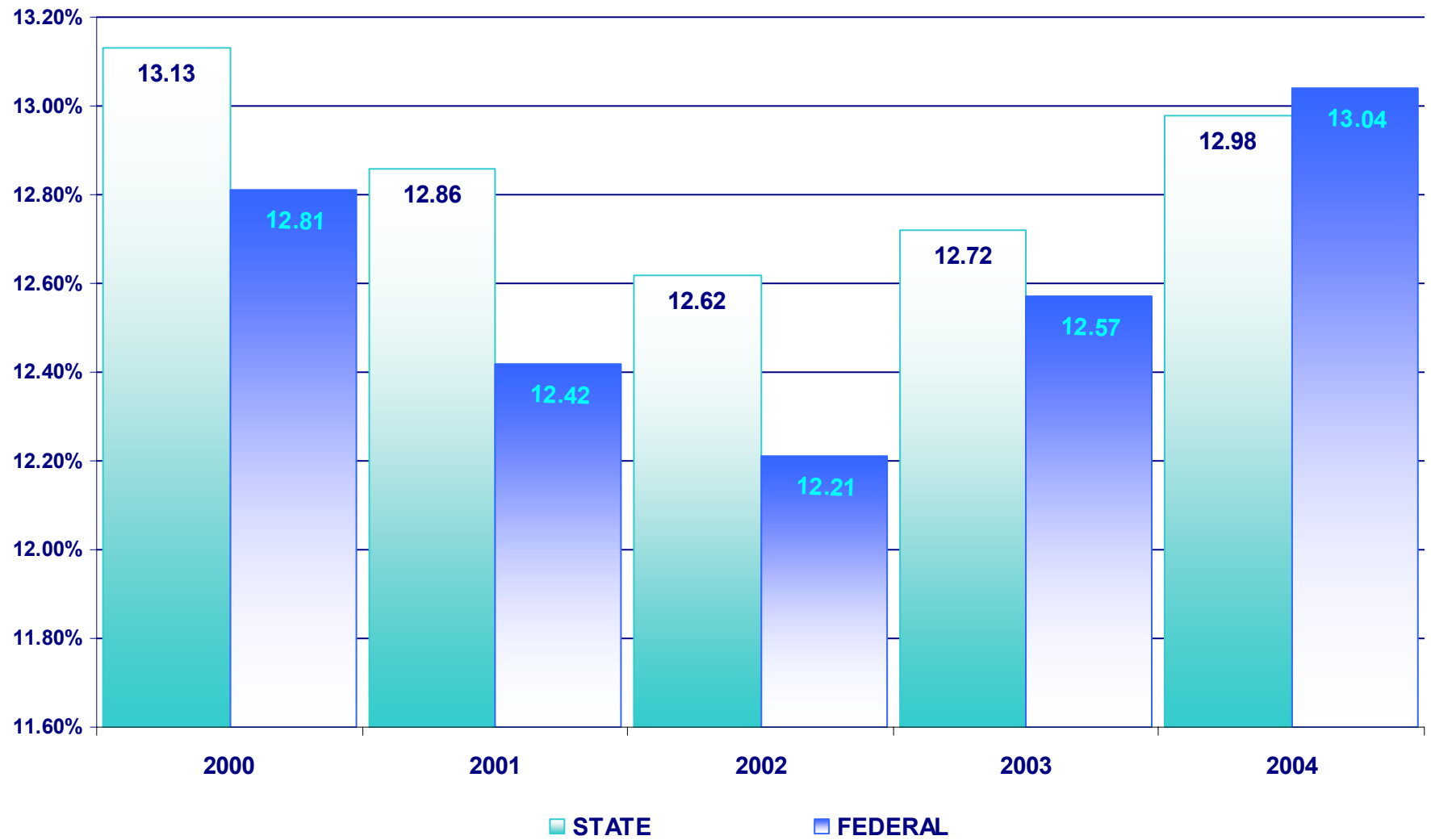
NUMBER OF CREDIT UNIONS IN TENNESSEE
(As of September 30 for each reporting period)



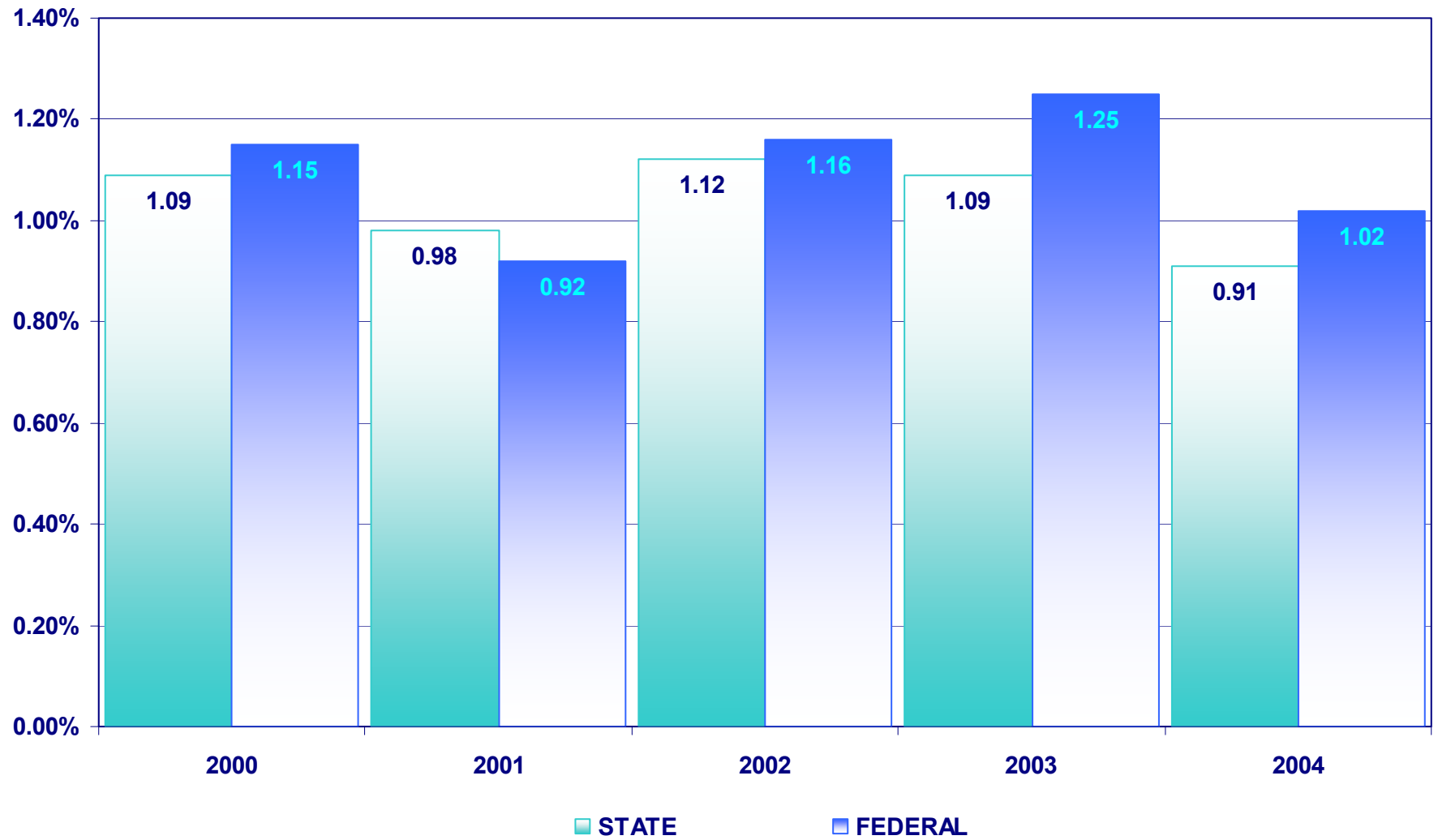
CREDIT UNION ASSETS
(As of September 30 for each reporting period)



CREDIT UNION NET WORTH RATIOS
(As of September 30 for each reporting period)



CREDIT UNION RETURN ON ASSETS
(Annualized as of September 30 for each reporting period)



2004 INDIVIDUAL LISTING OF STATE-CHARTERED CREDIT UNIONS

NAME	STREET	CITY	ZIP	PHONE	PRINCIPAL	YR CHAR- TERED	# OF FULL TIME EMP	# OF MEM- BERS
A.U.B. EMPLOYEES	P. O. BOX 689	ATHENS	37303	4237454501	VAUGHN, MYRL K	1965	0	330
AFG EMPLOYEES	P. O. BOX 929	KINGSPORT	37662	4232297332	POLSON, MARTY S	1932	8	3307
ALLIED PRINTERS / IBEW 846	1740 DAYTON BLVD	CHATTANOOGA	37405	4232677609	MAYNOR, JUDY W	1964	3	1004
AMERICAN SAVINGS	3048 HARVESTER LANE	MEMPHIS	38127	9013584496	KIDD, WILLIAM D	1949	46	16895
AMERICAN UNIFORM	1007 KEITH STREET NW	CLEVELAND,	37311	4234722300	INSCORE, CHERYL B	1956	3	1900
APPLIANCE	PO BOX 1057	CLEVELAND	37364-1057	4234795511	ROSS, BOBBIE M	1972	5	2268
AQUA GLASS EMP	320 INDUSTRIAL PARK	ADAMSVILLE	38310	7316322518	FINLEY, FRANKIE	1980	1	994
BAPTIST HOSPITAL	2010 CHURCH ST., SUITE 204	NASHVILLE	37203	6152845403	TENPENNY, PAM	1958	9	3688
BCBST EMPLOYEES	801 PINE STREET	CHATTANOOGA	37402	4232094801	HAMILTON, CHANNON M	1971	6	2404
BETHLEHEM COMMUNITY DEV	P.O. BOX 2131	CHATTANOOGA	37309	4232662384	MARSHALL, TIMOTHY H	1998	2	740
BOWATERS EMPLOYEES	PO BOX 359	CALHOUN	37309	4233367268	HINES, DENLEY C	1954	24	9771
BRADLEY INITIATIVE	1075 BLYTHE AVE SE	CLEVELAND	37311	4235591181	COLLINS, DENIS L	2003	2	697
BRISTOL TN ELECTRIC SYSTEM	P.O. BOX 549	BRISTOL	37621	4236524539	PHIPPS, BRENDA	1971	0	253
BROCK EMPLOYEES	P.O. BOX 22427	CHATTANOOGA	37422	4235107234	HAMILTON, CONNIE L	1957	1	441
CARTA EMPLOYEES	1617 WILCOX BLVD.	CHATTANOOGA	37406	4236228477	HAUN, KATHLEEN	1942	0	347
CEMC EMPLOYEES	PO BOX 3300	CLARKSVILLE	37043	9316452481	VON PALKO, LORI	1959	0	565
CHATTANOOGA FED EMP	P.O. BOX 22205	CHATTANOOGA	37422	4238923738	MULLICAN, MITCHELL D	1925	8	2955
CITY EMPLOYEES	100 E 11 STREET ROOM 106	CHATTANOOGA	37402	4237575210	RENEGAR, RALPH	1954	5	2492
CITY EMPLOYEES	1720 WESTERN AVE	KNOXVILLE	37921	8658247205	PRESSLEY, LARRY P	1932	18	6932
CITY OF MEMPHIS	2608 AVERY AVENUE	MEMPHIS	38112	9013211200	BROXTERMAN, JERRY	1959	49	18342
COLLEGEDALE	PO BOX 2098	COLLEGEDALE	37315	4233962101	WHITE, RANDALL	1952	14	5385
COLUMBIA REGIONAL	142 BEAR CREEK PIKE	COLUMBIA	38401	9313886914	JONES, REBECCA M	1967	7	2048
CONSUMER	311 CCU BLVD	GREENEVILLE	37745	4236396131	MILLER, SAM	1953	40	28241
CO-OP EMPLOYEE	PO BOX 3003	LAVERGNE	37086	6152878824	HURT, PHYLLIS	1958	1	907
COVENANT HEALTH	702 19TH ST	KNOXVILLE	37916	8655411239	MONTGOMERY, REBECCA	1953	13	6606
CU FOR ROBERTSON COUNTY	2416 MEMORIAL BLVD	SPRINGFIELD	37172	6153828255	MASON, WANDA E	1968	12	4183
D.H.S.	400 DEADERICK STREET	NASHVILLE	37248	6153135585	BROOKS, SHERRIE	1969	4	2700
D.O.T.	SUITE 300 JK POLK BLDG	NASHVILLE	37243	6157416340	TOLLESON, DIANA Y	1971	3	1931
DIXIE LINE	567 VERITAS STREET	NASHVILLE	37211	6153315121	CROWL, RON M	1932	4	1265
DREMCO	PO BOX 89	SHELBYVILLE	37162	9316844621	MARTIN, JAMES H	1958	0	479
DUPONT COMMUNITY	P.O. BOX 1058	HIXSON	37343	4238756955	FOSTER, KENDALL	1954	29	14216
DUPONT MEMPHIS PLANT EMP	P O BOX 27321	MEMPHIS	38167	9013583796	ALLEN, SUE	1967	4	2033

NAME	STREET	CITY	ZIP	PHONE	PRINCIPAL	YR CHR- TRD	# OF FULL TIME EMP	# OF MEM- BERS
DYERSBURG	P.O. BOX 506	DYERSBURG	38025	7312860152	DAVIDSON, SHARON	1964	6	2535
EASTMAN	P.O. BOX 1989	KINGSPORT	37662	4232298200	JONES, OLAN O	1934	216	62828
EDUCATORS	PO BOX 120729	NASHVILLE	37212	6153851616	FLURY, HENRY M	1962	93	27503
ELECTRIC SERVICE	PO BOX 24117	NASHVILLE	37202-4117	6157473801	CROWL, TERI S	1951	11	3083
EMPLOYEE RESOURCES	P O BOX 987	LAWRENCEBURG	38464	9317669288	HARDY, RANDALL K	1964	9	3959
EMPLOYEES CREDIT UNION	1415 MURFREESBORO PK # 148	NASHVILLE	37217	6153677283	ELAM, PHILLIP W	1934	16	7248
EMPLOYMENT SECURITY	500 JAMES ROBERTSON, #730	NASHVILLE	37245-3600	6157412142	ARMSTRONG, LINDA	1955	5	1993
EPB EMPLOYEES	1500 MCCALLIE AVE	CHATTANOOGA	37404	4236293413	FREEMAN, NADINE M	1954	7	2323
EPCO	P. O. BOX 1219	SHELBYVILLE	37162	9316843596	MCBEE, MARVIN	1957	39	11948
FIRST KINGSPORT	408 CLAY STREET	KINGSPORT	37660	4232299463	BOLING, BEVERLY L	1932	10	3423
FIRST SOUTH	6471 STAGE ROAD SUITE 200	BARTLETT	38134	9013807400	ESRAEL, WALTER C	1957	103	50711
FULTON	100 N. 17TH STREET	KNOXVILLE	37921	8656370112	WILLOCKS, JAMES W	1934	30	6906
GALLATIN STEAM PLANT	1499 STEAM PLANT ROAD	GALLATIN	37066	6154528069	THOMASON, JAN K	1956	1	694
GATE GOURMET EMPLOYEES	5100 POPLAR AVE	MEMPHIS	38137	9017663600	SMITH, ROBERT O	1969	4	3845
GATEWAY	202 UFFELMAN DRIVE	CLARKSVILLE	37043	9315518271	MELTON, ROSE M	1959	4	1972
GOLDEN CIRCLE	378-F CARRIAGE HOUSE DRIVE	JACKSON	38305	7315120966	RIAL, KERRY N	1974	2	1828
GREATER EASTERN	2110 MOUNTCASTLE DRIVE	JOHNSON CITY	37604	4232834300	TAYLOR, VICKIE J	1952	11	3668
GREENEVILLE CITY EMPLOYEES	310 S MAIN ST, SUITE 3	GREENEVILLE	37743	4236390907	HIXSON, ANN	1965	2	929
GREENEVILLE WORKS EMP S.A.	P. O. BOX 1790	GREENEVILLE	37744-1790	4237872419	MCAMIS, DORIS K	1976	1	539
HAPPY VALLEY	PO BOX 1838	ELIZABETHTON	37644	4235426078	BARTZ, BILLIE C	1933	11	3972
HARDIN COUNTY HOSPITAL EMP	2006 WAYNE RD	SAVANNAH	38372	9019254954	DEBERRY, BETTY	1964	0	275
HEALTH SYSTEMS	4005 N. BROADWAY	KNOXVILLE	37917	8656896152	HAWKINS, GAIL	1953	4	1702
HEALTHCARE SERVICES	975 EAST THIRD STREET	CHATTANOOGA	37403	4232424728	TANT, SUSAN M	1952	9	4309
HOLLEY	P.O. BOX 398	PARIS	38242	7316449031	BOWDEN, VAN	1952	10	5260
HOLLISTON MILLS EMPLOYEES	P.O. BOX 478	KINGSPORT	37662	4233576141	LAWS, BRENDA	1977	1	335
HOLSTON VALLEY	216 WEST RAVINE ROAD	KINGSPORT	37660	4232461922	TUELL, SAM	1979	6	2496
HURD EMPLOYEES	P. O. BOX 2157	GREENEVILLE	37744	4236394371	VAUGHN, PEGGY A	1968	1	570
ILLINOIS CENTRAL EMPLOYEES	2005 NONCONNAH BLVD. STE 7	MEMPHIS	38132	9013322686	CALAWAY, LINDA P	1928	3	1647
JACK DANIELS EMPLOYEES	PO BOX 199	LYNCHBURG	37352	9317596157	CASE, PAMELA H	1987	3	1082
JACKSON CITY & COUNTY EMP	263 NORTH HIGHLAND AVE	JACKSON	38301-6030	9014278095	ADAY, RHONDA	1961	4	1787
JOHN DEERE EMPLOYEES	3003 AIRWAYS BLVD., STE #709	MEMPHIS	38131	9013455548	CLARK, JIM D	1971	1	686
JOHNSONVILLE TVA EMPLOYEES	209 HIGHWAY 641 NORTH	CAMDEN	38320	7315847238	JONES, CAROLYN N	1952	22	7004
KIMBERLY CLARK	1520 N SECOND ST	MEMPHIS	38107	9015214646	BROXTERMAN, SARA S	1971	24	10132
KINGSPORT PRESS CU	528 W. CENTER STREET	KINGSPORT	37660	4233789292	SALYER, DEBORAH H	1930	17	6937
KINGSTON TVA EMPLOYEES	714 SWAN POND RD.	HARRIMAN	37748	8657172188	BARLOW, JUNE M	1954	1	860
KNOX CO. EMPLOYEES	400 MAIN AVE ROOM 355	KNOXVILLE	37902	8652152364	BRAWLEY, TERESA L	1974	5	1925
KNOXVILLE NEWS-SENTINEL EMP	PO BOX 59038	KNOXVILLE	37950	8653426930	COOPER, MARYANNE	1935	3	821
KNOXVILLE POST OFFICE	P.O. BOX 52990	KNOXVILLE	37950	8656882424	CHILDS, LINDA J	1924	25	6999

NAME	STREET	CITY	ZIP	PHONE	PRINCIPAL	YR CHR- TRD	# OF FULL TIME EMP	# OF MEM- BERS
KNOXVILLE TVA EMPLOYEES	301 WALL AVENUE	KNOXVILLE	37901	8655445400	STONE, BOB R	1934	174	76675
L.M.P.C.O. EMPLOYEES CREDIT ASSN.	119 HAMLETT STREET	LEXINGTON	38351	7319688746	SANDERS, RHONDA J	1963	1	1260
LAKESIDE EMPLS.	1008 BROADWAY AVENUE	NEW JOHNSONVILLE	37134	9315353750	COLE, DARRY F	1965	13	3769
LANGSTON BAG CO. EMPLOYEES S.A.	P. O. BOX 60	MEMPHIS	38101	9017744440	BANDY, MIIKE	1964	0	80
LEADERS CREDIT UNION	214 OIL WELL ROAD	JACKSON	38305	7316641784	SWIMS, TODD	1957	35	14246
LEAGUE CENTRAL	P. O. BOX 3658	CHATTANOOGA	37404	4236292551	COOPER, WILLIAM J	1957	22	12805
LIFEWAY	ONE LIFEWAY PLAZA	NASHVILLE	37234-0193	6152512089	STAPLETON JR, LARRY W	1954	8	3365
LOWLAND	622 WEST FIRST NORTH ST	MORRISTOWN	37814	4235818345	CREECH, MARK G	1953	26	11243
M.P.D. EMPLOYEES	306 GAY ST STE 105	NASHVILLE	37201	6152425461	WALKER, NANCY J	1966	5	2179
MARYVILLE MUNICIPAL	321 W BROADWAY AVE	MARYVILLE	37801	8659844072	BOYLE, TOM	1971	2	1205
MAURY EDUCATORS'	5021 B-1 TROTWOOD AVENUE	COLUMBIA	38401	6153883689	HINES, RONALD E	1974	5	2020
MAURY PROGRESSIVE	P.O. BOX 1879	COLUMBIA	38401	9313813196	INGRAM, PATRICIA K	1937	4	1413
MCKEE BAKING CO. EMPLOYEES	PO BOX 3301	COLLEGEDALE	37315	4233963141	HOOPER, LISA L	1963	6	4891
MCNAIRY CO. EDUCATIONAL	P.O. BOX 412	SELMER	38375	7316453267	KISER, BEA	1969	0	279
MEDED	205 HAYES STREET	CROSSVILLE	38555	9314566599	PRATT, BILLIE E	1965	6	2092
MEDICAL CENTER	408 N. STATE OF FRANKLIN RD	JOHNSON CITY	37604	4234316361	YORK, PAROLEA	1953	8	3299
MEMORIAL HOSPITAL EMP	6800 LONGVIEW ROAD	CHATTANOOGA	37421	4238551770	UNDERWOOD, CAROL	1959	8	3384
MEMPHIS AREA TEACHERS'	7845 HIGHWAY 64	MEMPHIS	38133	9013855200	ALGEE, RAY P	1957	194	61068
MEMPHIS PUBLISHING CO. EMPLOYEES'	495 UNION AVENUE	MEMPHIS	38103	9015292760	ARICK, ROBERT B	1940	4	1441
METROPOLITAN TEACHERS	1605 JEFFERSON STREET	NASHVILLE	37208	6153214622	JENNINGS, REBECCA L	1957	0	915
N M H CREDIT UNION	3443 DICKERSON PK #G-10	NASHVILLE	37207	6153453471	TANNER, LINDA T	1966	4	2294
N.G.H.	1818 ALBION STREET	NASHVILLE	37208	6153414455	SHAUB, JULIE M	1959	8	2362
NASHVILLE FIREMEN'S	PO BOX 60567	NASHVILLE	37206	6152263473	SENSING, BONNIE M	1932	4	1738
NASHVILLE POST OFFICE	P.O. BOX 291233	NASHVILLE	37229	6158714221	RADER , SHARON	1925	16	5123
NEW SOUTH CREDIT UNION	3261 N. MALL RD	KNOXVILLE	37924	8655230757	SCHULZ, RICHARD	1952	4	2463
NEWSPAPER AND PRINTERS	1100 BROADWAY	NASHVILLE	37203	6152598310	O'NEAL, DEMETRA	1932	1	707
NORTHEAST COMMUNITY	980 WEST E ST.	ELIZABETHTON	37643	4235473820	CAMPBELL, KATHY	1952	20	6228
O.M.C. EMPLOYEES'	P O BOX 248	CHARLESTON	37310	4233364331	GREGG, VIRGINIA	1969	2	1862
OLAN MILLS SAVINGS ASSOCIATION	4325 AMNICOLA HWY	CHATTANOOGA	37422	4236298440	POTTER, PHYLLIS N	1959	2	877
OLD HICKORY EMPLOYEES	P. O. BOX 431	OLD HICKORY	37138	6158474043	DAWSON, BONNETTE A	1934	82	24564
OLIVET BAPTIST	3084 SOUTHERN AVENUE	MEMPHIS	38111	9014547777	MCGOWAN, ANGELS	1978	0	676
P.I.A.S.	305 PLUS PARK BLVD	NASHVILLE	37217	6153609951	DEVER, BRIAN A	1961	3	2746
PARCEL EMPLOYEES	3385 AIRWAYS BLVD. SUITE 133	MEMPHIS	38116	9013962132	LANGSTON, SARAH B	1980	3	2641
PARKRIDGE	P.O. BOX 3146	CHATTANOOGA	37404	4234931758	EASON, JEAN W	1972	3	905
PATHWAY	P.O. BOX 21035	CLEVELAND	37320	4234792168	SMITH, HELEN I	1967	2	1201
PEOPLES CHOICE	1500 S FIRST ST	UNION CITY	38261	7318854808	RANSOM, ROBERT F	1971	6	3568
PORTER-CABLE EMPLOYEES	PO BOX 2468	JACKSON	38302	7316609354	BUNCH, BARBARA G	1971	2	751
POSTAL EMPLOYEES	584 SOUTH THIRD ST	MEMPHIS	38126	9015265011	TURNER, ELAINE B	1927	14	4043

NAME	STREET	CITY	ZIP	PHONE	PRINCIPAL	YR CHR- TRD	# OF FULL TIME EMP	# OF MEM- BERS
POSTAL EMPLOYEES	57 DIRECTORS ROW	JACKSON	38305	7316681155	BROCKENBROUGH, PATSY	1929	14	4320
ROHM AND HAAS EMPLOYEES	PO BOX 591	KNOXVILLE	37901	8656373668	JENKINS, WILLIAM L	1949	0	1141
SIGNAL CEMENT WORKERS	1201 SUCK CREEK ROAD	CHATTANOOGA	37405	4238860800	TREWHITT, SANDY	1965	0	486
SMITH & NEPHEW EMPLOYEES	1450 E BROOKS ROAD	MEMPHIS	38116	9013996473	LITTLE, MATTIE	1968	4	1508
SOUTHERN	P.O. BOX 3490	CHATTANOOGA	37404	4236292578	HARPER, JOHN R	1933	9	3787
ST. THOMAS HOSPITAL EMPLOYEES	111 BOSLEY SPRINGS RD, # 101	NASHVILLE	37205	6152226721	COLEMAN, MARY Z	1959	6	2673
TENNESSEE DEPARTMENT OF SAFETY	1150 FOSTER AVENUE	NASHVILLE	37249-1000	6152515146	AKINS, CATHY E	1971	2	1544
TENNESSEE PAPER MILLS	1740 DAYTON BOULEVARD	CHATTANOOGA	37405	4232677609	MAYNOR, JUDY W	1957	1	362
TENNESSEE TEACHERS	P. O. BOX 22881	NASHVILLE	37202	6152441910	HOBBS, BETTY G	1950	79	27581
TIMES FREE PRESS	400 EAST 11TH ST	CHATTANOOGA	37403	4237576259	KELLEY, JANICE M	1966	1	466
TOP-O-RING EMPLOYEES	104 HARTMANN DR	LEBONON	37087	6154438815	TOMLINSON, MARGARET	1965	0	251
U. S. COMMUNITY	PO BOX 25047	NASHVILLE	37202	6152568712	THOMPSON, CHERYL A	1968	46	16878
U. S. T. C. EMPLOYEES	800 HARRISON STREET	NASHVILLE	37203	6158804799	KIRBY, JEWELL M	1973	0	275
VANDERBILT UNIVERSITY EMPLOYEES	PO BOX 128426	NASHVILLE	37212	6159360300	BITTLE, MICHAEL W	1959	6	5787
WCG EMPLOYEES	P.O. BOX 284	MARTIN	38237	7315879521	BREWER, THOMAS	1962	0	282
WILLIS CREDIT UNION	26 CENTURY BLVD, SUITE 101	NASHVILLE	37214	6158726380	COOPER, CHARLES H	1967	4	2680
YAT EMPLOYEES	100 YALE AVENUE	LENOIR CITY	37771	8659867511	NORWOOD, LAGONDA N	1954	2	919